

# MICRON TECHNOLOGY INC

## FORM 10-K (Annual Report)

Filed 10/10/95 for the Period Ending 08/31/95

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Telephone	2083684000
CIK	0000723125
Symbol	MU
SIC Code	3674 - Semiconductors and Related Devices
Industry	Computer Storage Devices
Sector	Technology
Fiscal Year	03/10

# FORM 10-K

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended August 31, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 1-10658

### Micron Technology, Inc.

(Exact name of registrant as specified in its charter)

Delaware	75-1618004
----- (State or other jurisdiction of incorporation or organization)	----- (I.R.S. Employer Identification No.)
8000 S. Federal Way, P.O. Box 6, Boise, Idaho	83707-0006
----- (Address of principal executive offices)	----- (Zip Code)
Registrant's telephone number, including area code	(208) 368-4000
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#### Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$.10 per share	New York Stock Exchange
-----	-----

#### Securities registered pursuant to Section 12(g) of the Act:

None  
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to

Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by nonaffiliates of the registrant, based upon the closing price of such stock on August 31, 1995, as reported by the New York Stock Exchange, was approximately \$11.1 billion. Shares of Common Stock held by each officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of the registrant's Common Stock on August 31, 1995 was 206,437,704.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Proxy Statement for registrant's 1995 Annual Meeting of Shareholders to be held on January 29, 1996, are incorporated by reference to

Part III of this Annual Report on Form 10-K.

## PART I

### Item 1. Business

#### General

Micron Technology, Inc. ("MTI") and its subsidiaries (hereinafter referred to collectively as "Micron" or the "Company") principally design, develop, manufacture and market semiconductor memory products, personal computers ("PCs") and custom complex printed circuit board assemblies. During fiscal 1995, the Company consolidated the operations of Micron Semiconductor, Inc. and Micron Systems Integration, Inc., into MTI. In addition, two other MTI subsidiaries, Micron Computer, Inc., and Micron Custom Manufacturing Services Inc., were merged on April 7, 1995, with and into ZEOS International, Ltd., a personal computer manufacturer. The newly merged company was renamed Micron Electronics, Inc. ("MEI"), and is a majority owned subsidiary of MTI.

Micron's semiconductor operations focus on the design, manufacture, and marketing of semiconductor memory components primarily for use in computers. The Company's primary semiconductor products are Dynamic Random Access Memories ("DRAMs") and Static RAMs ("SRAMs"). The Company also manufactures and markets semiconductor testing equipment, including AMBYX (Registered Trademark) Intelligent Test and Burn-in systems, and high through-put device loading and unloading equipment. Micron Europe Limited and Micron Semiconductor Asia Pacific Pte., Ltd., wholly-owned subsidiaries of MTI, provide sales services in Europe and Asia Pacific. Additional MTI subsidiaries include Micron Communications, Inc., which designs and develops radio frequency identification systems; Micron Construction, Inc., which provides construction management and general contractor services for facility owners and developers; Micron Display Technology, Inc., which designs and develops new technologies relating to field emission flat panel displays; and Micron Quantum Devices, Inc., which designs and develops non-volatile semiconductor memory devices.

MEI's operations focus on the Company's PC, contract manufacturing, and component recovery operations. MEI's PC operations design, develop, market, manufacture and support two brand names of PC systems and related hardware incorporating third party operating systems and application software. MEI's contract manufacturing operation provides a full range of turnkey manufacturing services, including the assembly and test of complex printed circuit boards and memory modules, design layout and product engineering, materials procurement, inventory management, quality assurance and just-in-time delivery.

MTI was incorporated in Idaho in 1978 and reincorporated in Delaware in 1984. The Company's executive offices and principal manufacturing operations are located at 8000 South Federal Way, P.O. Box 6, Boise, Idaho, 83707-0006 and its telephone number is (208) 368-4000.

#### Products

The Company's principal product categories are semiconductor memory products, including DRAMs and SRAMs, PC systems, and contract manufactured board level products.

#### Semiconductor Memory Products

The Company's semiconductor manufacturing operations focus primarily on the design, development, and manufacture of semiconductor memory products for standard and custom memory applications, with various packaging and configuration options, architectures, and performance characteristics.

Dynamic Random Access Memory DRAMs are semiconductor devices which store digital information in the form of bits and provide high speed storage and retrieval of data. The Company is developing its 64 Meg DRAM and is in the design phase for its 256 Meg DRAM. DRAM sales represented approximately 68%, 73% and 70% of the Company's total net sales in fiscal 1995, 1994, and 1993, respectively. Manufacture of the Company's DRAM products utilizes proprietary advanced complimentary metal-oxide-semiconductor ("CMOS") silicon-gate process technology. DRAMs are the highest density, lowest cost per bit random access memory components available, and are the most widely used semiconductor memory components in most PC systems. Demand for the Company's products has recently benefited from strong market conditions for PC systems and increased utilization of more powerful microprocessors, more memory-intensive software applications and enhanced system architectures. The Company's primary product during fiscal 1995 was the 4 Meg DRAM which sells in multiple configurations, speeds, and package types. The Company is limiting its production of 16 Meg DRAMs in order to maximize production of the 4 Meg DRAM which currently is the Company's most profitable memory product.

The Company believes the market transition to the 16 Meg DRAM as the primary DRAM product will be largely driven by the timing of increases in demand for main memory in PC systems and by the increasing market availability of the 1 Meg x 16 configuration of the 16 Meg DRAM. Currently, most PC systems are sold with between 8 and 12 megabytes of main memory. Such system requirements can be satisfied with memory modules comprised of either 1 Meg x 4 (4 Meg) DRAMs or 1 Meg x 16 (16 Meg) DRAMs. The present limited market availability of the 1 Meg x 16 configuration of the 16 Meg DRAM has made the 1 Meg x 4 DRAM module a more cost-effective solution and has resulted in continued demand for the 4 Meg DRAM. When typical PC system requirements exceed 16 megabytes, memory modules can no longer cost-effectively incorporate 4 Meg DRAMs. Either increasing availability of the 1 Meg x 16 configuration of the 16 Meg DRAM or PC main memory requirements increasing to in excess of 16 megabytes will likely cause an industry transition to the 16 Meg DRAM as its primary product.

Static Random Access Memory SRAMs are semiconductor devices which perform memory functions much the same as DRAMs; however, unlike DRAMs, SRAMs do not require their memory cells to be electronically refreshed which generally simplifies application system designs. SRAMs contain more complex electronic circuitry than DRAMs, and consequently have higher per bit production costs. The Company's SRAM family focuses on the high-performance, or "Very Fast", sector of the SRAM market which requires very high speed access to memory. Very Fast SRAMs provide access times approximately five times faster than that of DRAMs. The market for Very Fast SRAMs has grown with the number of applications that require a "buffer" or "cache" of high speed memory between the central processing unit and the main DRAM-based memory. The Company manufactures its current SRAM products utilizing CMOS silicon-gate process technology. The Company currently sells primarily synchronous 256K, and 1 Meg SRAMs in a variety of configurations, speeds, and package types, and has 4 Meg and 16 Meg SRAMs under development. SRAM sales represented 6%, 8%, and 14% of the Company's total net sales in fiscal 1995, 1994, and 1993, respectively.

### **Personal Computer Systems**

The Company develops, markets, manufactures and supports a broad line of memory intensive, high performance PC systems under the Micron and ZEOS brand names. The Company's PC product line includes: the Micron Millennia, targeted for high-end business users; the Micron PowerStation, targeted for general business users; the Micron Home MPC, targeted for home office and general consumers; the Micron PowerServer, a business network server; the ZEOS Pantera, targeted for mainstream business; and the ZEOS Meridian, a portable notebook.

The Company continues to evaluate the marketing strategy for its products to take advantage of both Micron and ZEOS brand names. Until the Company's PC product line strategies are fully implemented, including coordination of marketing strategies, the sharing of research and development efforts, and the coordination and potential integration of overall product lines. While it is not yet known whether the Company will undertake any such potential actions, any such action would involve a number of significant risks, could result in the recognition of unanticipated expenses and could otherwise have a material adverse effect on the Company's net sales.

Revenue from the sale of PC systems, excluding the value of the Company's memory components contained therein, represented approximately 15%, 5% and 2% of the Company's total net sales in fiscal 1995, 1994, and 1993, respectively.

ZEOS(Registered Trademark) is a registered trademark and Micron(Trademark), Millennia(Trademark), PowerStation(Trademark), HomeMPC (Trademark), PowerServer(Trademark), Pantera(Trademark) and Meridian(Trademark) are trademarks of the Company.

### **Contract Manufacturing**

The Company's contract manufacturing operations consist of assembling and testing complex printed circuit boards and memory modules and "box build" final product assembly services. In addition to assembly and test, the Company offers a full range of turnkey manufacturing services, including design lay-out and product engineering, materials procurement, inventory management, quality assurance and just-in-time delivery.

Revenue from contract manufacturing operations, excluding the value of the Company's memory components contained therein, represented approximately 3%, 3% and 2% of the Company's total net sales in fiscal 1995, 1994 and 1993, respectively.

## **Manufacturing**

### **Semiconductor Memory Products**

Semiconductor memory manufacturing cost per unit is primarily a function of die size (since the potential number of good die per wafer increases with reduced die size), number of mask layers, and the yield of acceptable die produced on each wafer. Other contributing factors are wafer size, number of fabrication steps, costs and sophistication of the manufacturing equipment, package type, equipment up time, process complexity and cleanliness. The manufacture of the Company's semiconductor products is a complex process and involves a number of precise steps, including wafer fabrication, assembly, burn-in and final test. Efficient production of the Company's semiconductor memory products requires utilization of advanced semiconductor manufacturing techniques. The Company is engaged in ongoing efforts to enhance its production processes to reduce the die size of existing products and increase capacity utilization. Smaller die sizes and higher production yields generally reduce manufacturing cost per part.

The Company's principal existing semiconductor manufacturing facility in Boise, Idaho, includes two wafer fabrication lines equipped with diffusion tubes, photolithography systems, ion implant equipment, chemical vapor deposition reactors, sputtering systems, plasma and wet etchers and automated mask inspection systems. The production facility operates in 12-hour shifts, 24 hours per day, and 7 days per week to reduce down time during shift changes, and to reduce fabrication costs further through maximum utilization of fabrication facilities. Wafer fabrication occurs in a highly controlled, clean environment to minimize dust and other yield- and quality-limiting contaminants. Notwithstanding the highly controlled manufacturing operation, equipment does not consistently perform flawlessly and minute impurities, defects in the photomasks, or other difficulties in the process may cause a substantial percentage of the wafers to be rejected or individual circuits to be nonfunctional. The success of the Company's manufacturing operation will be largely dependent on its ability to minimize such impurities and to maximize its yield of acceptable, high-quality circuits. In this regard, the Company employs rigorous quality controls throughout the manufacturing, screening, and testing processes.

After fabrication, each silicon wafer is separated into individual die. Functional die are connected to external leads by extremely fine wire and are assembled into plastic packages. Each completed package is then inspected, sealed, and tested. The assembly process uses high speed automatic systems such as wire bonders, as well as semi- automatic plastic encapsulation and solder systems. The Company tests its products at various stages in the manufacturing process, performs high temperature burn-in on finished products, and conducts numerous quality control inspections throughout the entire production flow. In addition, through the utilization of its proprietary AMBYX(Registered Trademark) line of intelligent test and burn-in systems, the Company simultaneously conducts circuit testing of all die during the burn-in process, thereby providing improved quality and reliability data and reduced time and cost of testing.

The Company is in the process of converting its two 6-inch wafer fabrication lines to 8-inch processing capabilities. Substantial conversion of Fab III to 8-inch wafer processing capabilities is targeted for the end of calendar 1995 and the Fab I/II conversion is targeted for calendar 1996. To date only a limited number of 8-inch wafers have been processed. Significant capital expenditures are required for the 8-inch conversion. There can be no assurance that the conversion can be accomplished without disruption of production.

The Company has begun construction of a manufacturing facility in Lehi, Utah, that will include 8-inch wafer fabrication, assembly and test operations. The approximate 2 million square foot facility is planned to have approximately two-thirds the manufacturing capacity of the existing Boise site. The cost of the Utah facility is currently estimated at approximately \$2.5 billion and is targeted for initial wafer production in late calendar 1996. Several other semiconductor manufacturers are also adding significant manufacturing capacity. All semiconductor manufacturers are dependent upon and compete for products of a limited number of sophisticated equipment suppliers. The cyclical nature of the industry often results in extended lead times for equipment deliveries. There can be no assurance the Company will not encounter delays in the currently planned expansion as a result of limited availability of equipment.

### **Personal Computer Systems**

The Company manufactures, sells, and supports its Micron brand name systems from the Nampa facility and ZEOS brand name systems from the Minneapolis facility. The Company's PC manufacturing process is designed to provide custom-configured products to its customers, and includes assembling components, loading software and performing quality control tests on each system prior to shipment. The Company's PC systems are assembled to customer specifications. Only a limited number of the most popular PC system configurations are manufactured in advance of customer orders. Parts and components required for each customer order are selected from inventory and are prepared for assembly into the customized PC system. While custom

assembly is advantageous to the Company's PC customers, the Company is unable to achieve the manufacturing efficiencies normally associated with mass production of standardized products.

The Company's PC systems are subject to functionality and quality testing during the assembly process. The Company's desktop PC systems are assembled in production lines. The Company's notebook PC systems are primarily assembled and tested by its suppliers prior to delivery to the Company for custom configuration. Software programs are loaded into the PC systems prior to a burn-in process during which they are powered-up and certain diagnostic tests are performed. The Company's notebook PC systems are assembled and tested by suppliers prior to delivery to the Company. PC systems are subject to final inspection after which they are packaged and made available for shipment to customers.

### **Contract Manufacturing**

The Company's contract manufacturing operation consists of assembling and testing complex printed circuit boards and memory modules. The assembly of printed circuit boards involves the attachment of electronic components, such as resistors, capacitors, diodes, logic devices, RAM components and processors to printed circuit boards. Nearly all assembly operations utilize surface mount technology whereby the leads on integrated circuits and other electronic components are soldered to the surface of the printed circuit board rather than inserted into holes and soldered on the back side of the assembly. Automated in-circuit and functionality tests are generally performed on all printed circuit boards assembled.

### **Availability of Raw Materials**

#### **Semiconductor Memory Products**

Raw materials utilized by the Company's semiconductor manufacturing operation generally must meet exacting product specifications. The Company generally uses multiple sources of supply, but the number of suppliers capable of delivering certain raw materials is very limited. The Company and many other semiconductor manufacturers are adding new facilities or modifying existing facilities to process 8-inch wafers. The availability of both 6-inch and 8-inch wafers for semiconductor memory production is partially dependent on how readily wafer suppliers can increase or create additional capacity to accommodate the demand for 8-inch wafers without creating shortages in supply of 6-inch wafers. The availability of other raw materials may decline due to the overall increase in world-wide semiconductor manufacturing. Although shortages have occurred from time to time and lead times in the industry have been extended on occasion, the Company has not experienced any significant difficulty in obtaining raw materials for its semiconductor manufacturing operations to date. Interruption of any one raw material source could adversely affect the Company's operations.

### **Personal Computer Systems**

The Company's PC operations rely on third-party suppliers for most of its PC system components. The Company purchases substantially all of its components and subassemblies from suppliers on a purchase order basis and generally does not maintain long-term supply arrangements with its suppliers. Although the Company attempts to use standard components and subassemblies available from multiple suppliers, certain of its components and subassemblies are available only from sole suppliers. Microprocessors used in the Company's PC systems are supplied exclusively by Intel. Substantially all of the RAM components used in the Company's PC systems are supplied internally from the Company's semiconductor manufacturing operation. In addition, the Meridian line of ZEOS notebook computers is currently obtained from a single third party manufacturer. Although most other components and subassemblies used by the Company are currently available from multiple sources, the Company has from time to time experienced shortages in the components and subassemblies used to produce its PC systems. Any supply interruption for any of the components and subassemblies currently obtained from a single source could result in production delays and adversely affect the Company's PC operations.

### **Contract Manufacturing**

The Company uses numerous suppliers for electronic components and materials, including RAM, in its contract manufacturing operations. Shortages of certain types of electronic components have occurred in the past and may occur in the future. Component shortages or price fluctuations could have an adverse effect on the Company's contract manufacturing operations.

## **Marketing and Customers**

Export sales totaled approximately \$754 million for fiscal 1995, including approximately \$285 million to Europe and \$274 million to Asia Pacific. Export sales approximated \$471 million and \$251 million for fiscal 1994 and 1993, respectively. Export sales are made primarily in United States currency. The Company incurs import duties on sales into Europe of up to 14% of the product value. The Company has sales offices in the United Kingdom, Germany, Singapore, and Taiwan.

## **Semiconductor Memory Products**

The semiconductor memory industry is characterized by rapid technological change, relatively short product life cycles, frequent product introductions and enhancements, difficult product transitions, and volatile market conditions. These circumstances historically have made the semiconductor industry, and the DRAM market in particular, highly cyclical.

The Company's primary semiconductor memory products are essentially interchangeable with, and have similar functionality to, products offered by the Company's competition. Customers for the Company's semiconductor memory products include major domestic computer manufacturers and others in the computer, telecommunications, and office automation industries. The Company markets its semiconductor memory products world-wide through independent sales representatives, distributors, and its own direct sales force. Sales representatives serve on a commission basis and obtain orders subject to final acceptance by the Company. Shipments against these orders are made directly to the customer by the Company. Distributors carry the Company's products in inventory and typically sell a variety of other semiconductor products, including competitors' products. Semiconductor memory products sold through distributors approximated 10%, 12% and 16% of total net sales of such products in fiscal 1995, 1994, and 1993, respectively.

Many of Micron's customers require a thorough review or "qualification" of new semiconductor memory products and processes which may take several months. As the Company diversifies its product lines and reduces the die sizes of existing memory products, acceptance of these products and processes may be hampered by this qualification procedure. There can be no assurance that new products or processes will be qualified for purchase by existing or potential customers.

The Company's sales of semiconductor memory products to Compaq Computer Corporation and Intel Corporation each represented approximately 11% of the Company's sales of semiconductor memory products in fiscal 1995. Compaq Computer Corporation represented approximately 13% and 11% of the Company's sales of semiconductor memory products for fiscal 1994 and 1993, respectively. No other customer individually accounted for 10% or more of the Company's net sales of semiconductor memory products.

## **Personal Computer Systems**

Micron markets its PC systems directly to customers including business, educational institutions, government agencies, and the general public, primarily by strategically placing advertisements in personal computer trade publications. The Company's PC products compete with products from other PC manufacturers to win computer trade magazine awards. The receipt of numerous such awards has resulted in enhanced brand name recognition for the Company's PC systems. In the event the Company's PC systems are unsuccessful in receiving similar awards in the future, customer interest in the Company's PC systems could decline materially.

## **Contract Manufacturing**

The Company markets its contract manufacturing services through a direct sales force that works with independent sales representatives and, to a lesser extent, original equipment manufacturers. Board-level products are also marketed directly to the Company's existing DRAM and SRAM component customers.

## **Backlog**

### **Semiconductor Memory Products**

The Company primarily manufactures and markets standard memory products. The rate of booking new orders varies from month to month and depends upon the ordering practices of individual customers. Cyclical industry conditions make it difficult for many customers to enter into long-term, fixed-price contracts. Orders for the Company's semiconductor memory products are typically accepted with acknowledgment that the terms may be adjusted to reflect market conditions at the delivery date. For the foregoing reasons, and because of the possibility of customer changes in delivery schedules or cancellation of orders with-



out significant penalty, the Company does not believe that its backlog of semiconductor memory products as of any particular date is firm or a reliable indicator of actual sales for any succeeding period.

### **Personal Computer Systems**

Levels of unfilled orders for PC systems fluctuate depending upon to unexpected demand for certain products or production delays. Customers frequently change delivery schedules and orders depending on market conditions and other reasons. Unfilled orders can be, and often are, canceled. As of August 31, 1995, the Company had unfilled orders for PC systems of approximately \$46.3 million as compared to unfilled orders of \$24.3 million as of September 1, 1994. The Company anticipates that substantially all of the unfilled orders as of August 31, 1995, other than canceled orders, will be shipped within 30 days. Because customers may cancel or reschedule orders for PC systems without penalty, the Company does not believe that unfilled orders for PC systems are a meaningful indicator for future sales.

### **Contract Manufacturing**

Backlog for the Company's contract manufacturing operation as of August 31, 1995, and September 1, 1994, was approximately \$95.0 million and \$22.3 million, respectively. Backlog generally consists of purchase orders believed to be firm and are expected to be filled within the next three months. Because of variations in the timing of orders, delivery intervals, customer and product mix and delivery schedules, the Company's backlog of contract manufacturing products as of any particular date may not be representative of actual sales for any succeeding period.

### **Product Warranty**

Consistent with semiconductor memory industry practice, Micron generally provides a limited warranty that its semiconductor memory and contract manufactured products are in compliance with specifications existing at the time of delivery. Liability for a stated warranty period is usually limited to replacement of defective items or return of amounts paid. Micron provides a 30-day money back guarantee on sales of its PC systems. PC systems are generally provided with a one-year limited warranty from the delivery date that covers repairs or replacement for defects in either workmanship or components. All other warranties are typically disclaimed.

### **Competition**

#### **Semiconductor Memory Products**

The Company's semiconductor memory operations experience intense competition from a number of substantially larger foreign and domestic companies, including Fujitsu, Ltd., Lucky Goldstar, Hitachi, Ltd., Hyundai Electronics, Co., Ltd., Mitsubishi Electric Corp., Motorola, Inc., NEC Corp., Samsung Semiconductor, Inc., Texas Instruments, Inc., and Toshiba Corporation. Micron has captured only a small percentage of the semiconductor memory market and may be at a disadvantage in competing against these larger manufacturers with significantly greater capital resources or manufacturing capacities, larger engineer and employee bases, larger portfolios of intellectual property, and more diverse product lines. The Company's larger competitors may also have long-term advantages over Micron in research and new product development and in their ability to withstand periodic downturns in the semiconductor market. In addition, the Company believes its competition has sufficient resources and manufacturing capacity to influence market pricing.

The SRAM overall market size is considerably smaller than the DRAM market and is more susceptible to a number of competitors increasing supply, and thereby influencing market pricing for SRAM products.

As has previously occurred in reaction to increased market demand, the Company and many of its competitors are adding new wafer fabrication facilities. Most new wafer fabrication facilities are designed to process 8-inch wafers, which have approximately 84% greater usable surface area than 6-inch wafers. Excess supply resulting from increased world-wide semiconductor manufacturing capacity, improved manufacturing yields, changes in demand for semiconductor memory, and currency fluctuations resulting in a strengthening dollar against the yen, could result in downward pricing pressure. A decline in the current favorable product pricing would have a material adverse effect on the Company's results of operations.

## **Personal Computer Systems**

The PC industry is highly competitive and has been characterized by intense pricing pressure, rapid technological advances in hardware and software, frequent introduction of new products, and low gross margins. Competitive factors include price, performance, variety of products offered, availability of peripherals and software, marketing and sales capabilities, service, and support. There can be no assurance the Company will compete successfully in the future with respect to these factors.

The Company's PC operations compete with a number of PC manufacturers which sell their products primarily through direct marketing channels, including Dell Computer Corporation and Gateway 2000, Inc. The Company also competes with PC manufacturers including IBM Corporation, Compaq Computer Corporation, Packard Bell Electronics, Inc., and Apple Computer, Inc., which have traditionally sold their products through national and regional distributors, dealers, value-added resellers, retail stores, and the PC manufacturers' direct sales forces. Many competitors have substantially greater financial, marketing, manufacturing, and technological resources devoted to PC operations than the Company and also have greater purchasing power, broader product lines, and larger installed customer bases, and greater brand name recognition. In addition, the Company competes with smaller PC manufacturers in local markets primarily on the basis of price.

## **Contract Manufacturing**

The Company's contract manufacturing operation competes with numerous domestic and offshore contract manufacturers, including a significant number regional companies. In addition, the Company competes against in-house manufacturing capabilities of certain of its existing customers as well as with certain large computer manufacturers, including IBM and its subsidiaries, which also offer third party contract manufacturing services. The Company's contract manufacturing competitors include Avex Electronics, Inc., Benchmark Electronics, Inc., DOVAtron, International, Inc., Flextronics International, Group Technologies Corporation, Jabil Circuits, Inc., SCI Systems, Inc., and Solectron Corporation. Many of the Company's contract manufacturing competitors have substantially greater manufacturing, financial, and marketing resources devoted to contract operations than the Company. Many of the Company's contract manufacturing customers also have manufacturing relationships with one or more of the Company's competitors.

The Company believes that the significant competitive factors in contract manufacturing are technology, quality, service, price, location, and the ability to offer flexible delivery schedules and deliver finished products on a timely basis in accordance with customers' expectations. The Company may be at a disadvantage as to price when compared to contract manufacturers with substantial offshore facilities or substantially larger domestic facilities. There can be no assurance that the Company will compete successfully in the future with regard to these factors.

## **Research and Development**

Rapid technological change and intense price competition place a premium on both new product and new process development efforts. The Company's continued ability to compete in the semiconductor memory market will depend in part on its ability to continue to develop technologically advanced products and processes, of which there can be no assurance. Research and development is being performed in strategic areas related to the Company's historical semiconductor expertise. Total research and development expenditures for the Company were \$129 million, \$83 million, and \$57 million in fiscal 1995, 1994, and 1993, respectively.

Research and development expenses vary primarily with the number of wafers and personnel dedicated to new product and process development. The Company's research and development efforts are currently focused principally on further development of shrink versions of the 16 Meg and 4 Meg DRAMs. Although the Company's 16 Meg DRAM product has been transferred into production, it is not currently being produced in significant volume pending the shift in customer demand from the 4 Meg DRAM. Other research and development efforts have been devoted to design and development of the 64 Meg and 256 Meg DRAMs and design and development of new technologies including radio frequency identification systems, non-volatile semiconductor memory products, and field emission flat panel displays.

The Company has entered into various research and development cost-sharing contracts with the Advanced Research Projects Agency ("ARPA") aggregating approximately \$20 million to pursue development of a flat panel field emission display, alternative semiconductor materials and high density ferroelectric memory.

## **Patents and Licenses**

As of August 31, 1995, the Company owned approximately 470 United States patents and 270 non-U.S. patents relating to the use of its products and processes. In addition, the Company has numerous United States and foreign patent applications pending. There can be no assurance that patents will be issued for such applications or that any patents, if issued, will be determined to be valid. The Company intends to continue to seek patent protection on its significant patentable technology.

The Company has entered into several cross-license agreements with third parties. The agreements typically require one-time and/or periodic royalty payments and expire at various times. One-time payments are typically capitalized and amortized over the shorter of the estimated useful life of the technology, the patent term, or the term of the agreement. Royalty and other product and process technology expenses were \$203 million, \$128 million, and \$78 million in fiscal 1995, 1994, and 1993, respectively. It may be necessary or advantageous for the Company to obtain additional patent licenses or to renew existing license agreements, some of which expire in calendar 1995, including an agreement with IBM. The Company is unable to predict whether these license agreements can be obtained or renewed on terms acceptable to the Company. Failure to renew such licenses could result in litigation and the attendant cost and diversion of resources associated therewith and could also result in material changes in the Company's production processes or products. An adverse decision on any such litigation or such material changes could have a material adverse effect on the Company's financial position or results of operations.

Periodically, the Company is made aware that technology used by the Company in the manufacture of some or all of its products may infringe on product and process technology rights held by others. An adverse decision on infringement of patents may have a material adverse effect on the Company's financial position or results of operations and may require material changes in production processes or products. For additional discussion of product and process technology issues, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Certain Factors" and "Item 8. Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements - Contingencies".

## **Employees**

As of August 31, 1995, Micron had 8,080 full-time employees, including approximately 5,900 in the semiconductor memory manufacturing operation, 1,400 in the PC operation and 570 in the contract manufacturing operation. Employment levels can vary depending on market conditions and the level of utilization of the Company's production, research and product and process development, and administrative support activities. Many of the Company's employees are highly-skilled and the Company's continued success will depend in part upon its ability to retain such employees. None of the Company's employees are represented by a labor organization, the Company has never had a work stoppage as a result of labor issues, and the Company considers relations with employees to be satisfactory.

The Company has hired a significant number of employees in recent years, particularly in and around the Boise, Idaho area. In addition, the Company is pursuing a significant expansion of its semiconductor manufacturing operations in Lehi, Utah, that is anticipated to employ 3,500 full-time employees. The Company may experience difficulties in locating and hiring qualified employees at a rate sufficient to accommodate the Company's current rate of expansion.

## **Environmental Compliance**

Government regulations impose various environmental controls on the discharge of chemicals and gasses used in the Company's manufacturing processes. The Company believes that its activities conform to present environmental regulations. While the Company has not experienced any materially adverse effects on its operations from government regulations, there can be no assurance that changes in such regulations will not impose the need for additional capital equipment or other compliance requirements. Additionally, the extensive process required to obtain permits for expansion of the Company's facilities may impact how quickly the Company can respond to increases in market demand.

## Executive Officers of the Registrant

The executive officers of the Company and their ages as of August 31, 1995 are as follows:

Name	Position	Age	Officer Since
Steven R. Appleton	Chief Executive Officer, President and Chairman of the Board of Directors	35	1989
Tyler A. Lowrey	Chief Technical Officer and Vice Chairman of the Board of Directors	42	1986
Wilbur G. Stover, Jr.	Chief Financial Officer, Vice President, Finance, Corporate Secretary and Director	42	1992
Edward J. Heitzeberg	Vice President, DRAM Design and Product Engineering	49	1986
Thomas M. Trent	Vice President, Computer Aided Design	49	1986
Robert M. Donnelly	Vice President, SRAM Design and Product Engineering	56	1989
Kipp A. Bedard	Vice President, Corporate Affairs	36	1990
Eugene H. Cloud	Vice President, Marketing	53	1990
Donald D. Baldwin	Vice President, Sales	35	1991
Nancy M. Self	Vice President, Administration	41	1993
W. Bryan Farney	Vice President, Legal Affairs and General Counsel	35	1995

## Background of Executive Officers

Steven R. Appleton joined Micron Technology, Inc., in February 1983 and served in various manufacturing management positions until April 1988 when he was named Director of Manufacturing. He was appointed Vice President, Manufacturing in August 1989 and served in that position until April 1991 when he was appointed President and Chief Operating Officer of Micron Technology, Inc. He was elected to the Board of Directors in April 1991. Mr. Appleton served in these positions until July 1992, when he assumed responsibilities as Chairman of the Board, President, and Chief Executive Officer for Micron Semiconductor, Inc. In May 1994, Mr. Appleton was re-elected to the Board of Directors of Micron Technology, Inc. In September 1994, Mr. Appleton was named Chairman, Chief Executive Officer, and President for Micron Technology, Inc.

Tyler A. Lowrey joined Micron Technology, Inc., in July 1984 as a senior process engineer. In March 1986, he became a Process Research and Development/Device Group Manager and was promoted to Vice President, Process Research and Development, and Assistant Technical Officer in September 1986. In April 1990, he was named Vice President, Research and Development. Mr. Lowrey was appointed to the Board of Directors of Micron Technology, Inc., in August 1990. Mr. Lowrey served in these positions until July 1992, when he was elected to the Board of Directors of Micron Semiconductor, Inc. and named that company's Vice President, Chief Technical Officer. In September 1994, Mr. Lowrey was re-elected to the Board of Directors of Micron Technology, Inc. and named Vice Chairman and Chief Technical Officer for Micron Technology, Inc.

Wilbur G. Stover, Jr. joined Micron Technology, Inc., in June 1989 as an accounting manager. In February 1990, Mr. Stover was named Controller where he served until July 1992 when he was named Vice President, Finance, and Chief Financial Officer of Micron Semiconductor, Inc. Mr. Stover served in this position until September 1994, when he was named Chief Financial Officer, Vice President Finance, and Treasurer for Micron Technology, Inc. He was elected to the Board of Directors in October 1994. In November 1994, he was named Chief Financial Officer, and Vice President, Finance and served in that position until April 1995, when he was named Chief Financial Officer, Vice President, Finance, and Corporate Secretary.

Edward J. Heitzeberg joined Micron Technology, Inc., in January 1984 as Information Systems Manager. In March 1986, he became Senior Staff Engineer and served in that capacity until June 1986, when he was named Vice President, Quality. Mr. Heitzeberg served in this position until July 1992, when he was named Vice President, Quality for Micron Semiconductor, Inc. In November 1994, Mr. Heitzeberg was named Vice President, Quality for Micron Technology, Inc. In October 1995, Mr. Heitzeberg was named Vice President, DRAM Design and Product Engineering.

Thomas M. Trent joined Micron Technology, Inc., in July 1980 as a senior design engineer. From August 1986 to April 1990, Mr. Trent served as Vice President, Research and Development, and Chief Technical Officer, at which time he was named Vice President and Manager of DRAM Design. In June 1991, he assumed responsibilities of all DRAM products and was named Vice President and Manager of DRAM Products Group. Mr. Trent served in these positions until July 1992, when he was named Vice President, DRAM Products Group for Micron Semiconductor, Inc. In April 1993, he was named Vice President for Micron Semiconductor, Inc. In November 1994, Mr. Trent was named Vice President for Micron Technology, Inc. In October 1995, Mr. Trent was named Vice President, Computer Aided Design.

Robert M. Donnelly joined Micron Technology, Inc., in September 1988 and served in various manufacturing management positions until August 1989, at which time he was appointed Vice President, Business Units. From April 1990 to June 1991, Mr. Donnelly served as Vice President and Manager of DRAM Products Group. In June 1991, he was named Vice President and Manager of SRAM Products Group. Mr. Donnelly served in this position until July 1992, when he was named Vice President, SRAM Products Group for Micron Semiconductor, Inc. In November 1994, Mr. Donnelly was named Vice President SRAM Products Group for Micron Technology, Inc. In October 1995, Mr. Donnelly was named Vice President, SRAM Design and Product Engineering.

Kipp A. Bedard joined Micron Technology, Inc., in November 1983 as an accountant and held various management responsibilities until he was appointed Manager of Corporate Affairs in June 1988. Mr. Bedard held that position until April 1990 when he was named Vice President and Manager of Corporate Affairs. From July 1992 to January 1994, Mr. Bedard served as Vice President, Corporate Affairs for Micron Semiconductor, Inc. In January 1994, he was named Vice President, Corporate Affairs for Micron Technology, Inc.

Eugene H. Cloud joined Micron Technology, Inc., in January 1985 as an applications engineer. In June 1985, he was named Applications Manager. He served in that position until June 1986, when he was named Marketing Manager. In April 1990, he was named Vice President, Semiconductor Marketing. Mr. Cloud served in this position until July 1992, when he was named Vice President, Marketing for Micron Semiconductor, Inc. In November 1994, Mr. Cloud was named Vice President, Marketing for Micron Technology, Inc.

Donald D. Baldwin joined Micron Technology, Inc., in April 1984 and served in various manufacturing and sales positions until April 1987, when he was named Key Accounts Manager. From April 1990 to May 1991, he served as Manager of North American Sales. In May 1991, he was named Vice President, Sales. Mr. Baldwin served in this position until July 1992, when he was named Vice President, Sales for Micron Semiconductor, Inc. In November 1994, Mr. Baldwin was named Vice President, Sales for Micron Technology, Inc.

Nancy M. Self joined Micron Technology, Inc., in February 1988 as a benefits specialist. In July 1988, she was named Benefits Manager and served in that position until July 1989, when she was named Risk Manager. In March 1993, she was named Vice President, Administration.

W. Bryan Farney joined Micron Technology, Inc. in November 1994 as General Counsel for Intellectual Property. In March 1995, he was named General Counsel and served in that position until April 1995 when he was named Vice President, Legal Affairs and General Counsel. Prior to joining the Company, Mr. Farney was a shareholder of the law firm of Arnold, White & Durkee, where he had been employed since October 1987.

## **Item 2. Properties**

The Company's principal semiconductor manufacturing, engineering, administrative, and support facilities are located on a 740 acre site in Boise, Idaho. All facilities have been constructed since 1981 and are owned by the Company. The Company has approximately 1.8 million square feet of building space at this primary site. Of the total, approximately 422,000 square feet is production space, 662,000 square feet is facility support space, and 666,000 square feet is office and other space. The Company's PC operations are housed in a 128,000 square foot facility in Nampa, Idaho on approximately 30 acres of land, and in a 234,000 square foot leased facility in Minneapolis, Minnesota. The Company's contract manufacturing operations are located in a 93,000 square foot facility on approximately 5 acres of land in Boise, Idaho, and in a 30,000 square foot leased facility in Durham, North Carolina.

The Company initiated construction of an approximate 2 million square foot semiconductor memory manufacturing facility in Lehi, Utah. This facility is expected to include wafer fabrication, assembly, test, facility support and administration operations. The cost of the Utah facility is currently estimated to approximate \$2.5 billion. Initial wafer fabrication is currently expected in late calendar 1996 with completion between three to five years. Market conditions for semiconductor memory products will effect how quickly the Lehi complex is ramped to full capacity.

Equipment with a book value of approximately \$67 million is pledged as collateral for outstanding debt and capital leases as of August 31, 1995.

## **Item 3. Legal Proceedings**

The Company is a party in various legal actions arising out of the normal course of business, none of which is expected to have a material effect on the Company's financial position or results of operations. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Certain Factors."

## **Item 4. Submission of Matters to a Vote of Security Holders**

There were no matters submitted to a vote of security holders during the fourth quarter of fiscal 1995.

## PART II

### Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

#### Market for Common Stock

Micron Technology, Inc.'s common stock is listed on the New York Stock Exchange and is traded under the symbol MU. The following table represents the high and low sales prices for the Company's common stock for each quarter of fiscal 1995 and 1994, as reported by The Wall Street Journal. All stock prices have been restated to reflect a 2 for 1 stock split (to shareholders of record as of May 4, 1995) and a 5 for 2 stock split (to shareholders of record as of April 1, 1994) effected in the form of a stock dividend.

	High	Low	
1995:			
4th quarter	\$78.00	\$44.75	
3rd quarter	50.75	32.56	
2nd quarter	33.13	19.94	
1st quarter	21.63	15.25	
1994:			
4th quarter	\$22.44	\$15.31	
3rd quarter	19.95	14.13	
2nd quarter	15.30	8.73	
1st quarter	12.73	7.58	

#### Holders of Record

As of August 31, 1995, there were 5,649 shareholders of record of the Company's Common Stock.

#### Dividends

The Company declared and paid cash dividends totaling \$0.15 during fiscal 1995, \$0.06 in fiscal 1994 and \$0.01 in fiscal 1993. Future dividends, if any, will vary depending on the Company's profitability and anticipated capital requirements.

### Item 6. Selected Financial Data

(Amounts in millions, except for per share amounts)

	1995	1994	1993	1992	1991
	-----	-----	-----	-----	-----
Net sales	\$2,952.7	\$1,628.6	\$828.3	\$506.3	\$425.4
Gross Margin	1,624.0	839.2	311.1	116.0	92.7
Operating income	1,296.5	620.1	165.9	13.7	11.8
Net income	844.1	400.5	104.1	6.6	5.1
Fully diluted earnings per share	3.90	1.90	0.51	0.03	0.03
Cash dividend declared per share	0.15	0.06	0.01	0.01	--
Current assets	1,274.1	793.2	440.1	227.0	213.2
Property, plant and equipment, net	1,385.6	663.5	437.8	396.3	389.3
Total assets	2,774.9	1,529.7	965.7	724.5	705.9
Current liabilities	604.8	274.2	210.8	106.1	98.0
Long-term debt	129.4	124.7	54.4	61.5	69.6
Shareholders' equity	1,896.2	1,049.3	639.5	511.2	494.8

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Certain Factors."

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

All yearly references are to the Company's fiscal years ended August 31, 1995, September 1, 1994, or September 2, 1993, unless otherwise indicated. Shares and per share amounts have been restated to reflect a 2 for 1 stock split (to shareholders of record as of May 4, 1995) and a 5 for 2 stock split (to shareholders of record as of April 1, 1994) effected in the form of a stock dividend. All tabular dollar amounts are stated in millions.

### Overview

Net income for 1995 was \$844 million, or \$3.90 per fully diluted share, on net sales of \$2,953 million. The Company achieved record sales and net income in 1995 primarily as a result of continued stable pricing and increased production of semiconductor memory and increased sales of PC systems. Net income for 1994 was \$401 million, or \$1.90 per fully diluted share, on net sales of \$1,629 million.

### Results of Operations

The following table presents the Company's net sales by related products or services. The value of the Company's semiconductor memory products included in PC systems and other products is included in the caption "Semiconductor memory products." The caption "Other" includes revenue from contract manufacturing and module assembly services, construction management services, government contracts, and licensing fees.

	1995		1994		1993	
	Net Sales	% of Total	Net Sales	% of Total	Net Sales	% of Total
Semiconductor memory products	\$2,287.0	77%	\$1,367.5	84%	\$ 736.6	89%
Personal computer systems	429.1	15%	73.7	5%	20.6	2%
Other	236.6	8%	187.4	11%	71.1	9%
<b>Total net sales</b>	<b>\$2,952.7</b>	<b>100%</b>	<b>\$1,628.6</b>	<b>100%</b>	<b>\$ 828.3</b>	<b>100%</b>

  

	1995	% Change	1994	% Change	1993
Net sales	\$2,952.7	81.3%	\$1,628.6	96.6%	\$828.3

The substantial increase in net sales in 1995 compared to 1994 was principally due to increased production and current favorable market conditions for the Company's semiconductor memory products, in particular the 4 Meg DRAM, and a higher level of net sales of PC systems. Although the volume of wafers produced during 1995 increased only moderately compared to 1994, total megabits produced increased approximately 74% principally due to ongoing transitions to successive shrink versions of existing memory products, particularly the 4 Meg DRAM, shift in the Company's mix of semiconductor memory products to a higher average density, and enhanced yields on existing memory products. Demand for the 4 Meg DRAM remained strong and prices remained stable for the Company's DRAM products during 1995. The relatively stable prices for the Company's DRAM products over the past three years represents a deviation from the historical long-term trend of declining DRAM prices per megabit. While current demand appears to be in excess of world-wide supply, the Company is unable to predict if, or when, a combination of product shrinks, yield improvements, and capacity expansions will allow world-wide supply to equal or exceed demand, or to predict changes in demand and the corresponding effects on pricing for the Company's products.

The Company's principal product in 1995 was the 4 Meg DRAM which comprised approximately 83% of the net sales of the semiconductor memory products, and 64% of total net sales. SRAM net sales were higher in 1995 as compared to 1994, but declined as a percentage of net sales of semiconductor memory products to approximately 8% in 1995 due to the Company's production emphasis on the 4 Meg DRAM. SRAM net sales were 10% and 16% of net sales of semiconductor products in 1994 and 1993, respectively.

Net sales of PC systems, less the value of the Company's semiconductor memory included therein, increased to approximately 15% of the Company's total net sales for 1995 from 5% and 2% in 1994 and 1993, respectively. PC sales increased principally



due to increased demand for the Company's PC systems as a result of greater brand name recognition and market acceptance of such products. Increased brand name recognition and market acceptance resulted primarily from the receipt of a number of awards from computer trade magazines relating to performance characteristics of its systems and increased advertising expenditures. In addition, approximately 22% of the Company's PC sales during 1995 were attributable to sales of ZEOS brand name PC systems subsequent to the Company's acquisition of ZEOS.

Net sales in 1994 increased compared to 1993 principally due to the relatively stable prices for semiconductor memory products and the comparatively higher volume of semiconductor memory produced in 1994. The Company's production of semiconductor memory as measured in megabits nearly doubled in 1994 compared to 1993, principally as a result of expenditures on equipment and facilities; improved manufacturing yields resulting from increased manufacturing efficiencies; and conversion to shrink versions of then existing products.

	1995	% Change	1994	% Change	1993
	-----	-----	-----	-----	-----
Cost of goods sold	\$1,328.7	68.3%	\$789.4	52.6%	\$517.2
Gross margin %	55.0%		51.5%		37.6%

The Company's gross margin percentage in 1995 was slightly higher than that experienced in 1994 primarily as a result of a higher gross margin percentage on the Company's semiconductor memory products offset in part by the effects of a higher level of net sales of PC systems, which generally have considerably lower gross margins. The Company's gross margin percentage on semiconductor memory products increased to approximately 65% in 1995, compared to 57% and 39% in 1994 and 1993, respectively. The higher gross margin percentage for semiconductor memory products in 1995 was principally due to relatively stable selling prices for such products as compared to decreases in per unit manufacturing costs. Decreases in per unit manufacturing costs were principally due to the greater number of potential die per wafer achieved through transitions to shrink versions of existing products and shifts in the Company's mix of semiconductor memory products to a higher average density, improved manufacturing yields and increased wafer output.

The Company continues limited production of its 16 Meg DRAM at a level only sufficient to continue development of process efficiencies. The Company continues to maximize its production of the 4 Meg DRAM, which is currently the most profitable product offered by the Company. The Company believes the market transition to the 16 Meg DRAM as the primary DRAM product will be largely driven by the timing of increases in demand for main memory in PC systems and by the increasing market availability of the 1 Meg x 16 configuration of the 16 Meg DRAM. Currently, most PC systems are sold with between 8 and 12 megabytes of main memory. Such system requirements can be satisfied with memory modules comprised of either 1 Meg x 4 (4 Meg) DRAMs or 1 Meg x 16 (16 Meg) DRAMs. The present limited market availability of the 1 Meg x 16 configuration of the 16 Meg DRAM has made the 1 Meg x 4 DRAM module a more cost-effective solution and has resulted in continued demand for the 4 Meg DRAM. When typical PC system requirements exceed 16 megabytes, memory modules can no longer cost-effectively incorporate 4 Meg DRAMs. Either increasing availability of the 1 Meg x 16 configuration of the 16 Meg DRAM or an increase in PC main memory requirements to in excess of 16 megabytes will likely cause an industry transition to the 16 Meg DRAM as its primary product. The Company's transition to the 16 Meg DRAM as its principal memory product could have a negative impact on the Company's results of operations.

The Company's gross margin percentage on sales of PC systems has been lower than the Company's overall gross margin percentage. Intense pricing pressure in the PC market has caused the Company to reduce the average selling prices of its PC systems at a rate faster than the decline in the Company's cost of components. In addition, the PC market's ongoing transition to new products and product features may have an adverse effect on the Company's PC gross margins by increasing inventory obsolescence and, to a lesser extent, decreasing manufacturing efficiencies. Should the rate of future growth in net sales of PC systems exceed the rate of future growth of the balance of the Company's products, the Company's overall gross margin would decrease.

Cost of goods sold includes estimated costs of settlement or adjudication of asserted and unasserted claims for patent infringement prior to the balance sheet date, and costs of product and process technology licensing arrangements. Product and process technology costs decreased as a percentage of total net sales in 1995 principally due to a paid-up license which became fully amortized late in 1994, and the higher level of net sales of PC systems in 1995 which are subject to generally lower royalty costs compared to the Company's semiconductor memory products. Future product and process technology charges may increase, however, as a result of claims that may be asserted in the future. See "Certain Factors."

The significant increase in gross margin percentage for 1994 compared to 1993 was principally due to relatively stable prices and reductions in cost per unit of memory sold for DRAM products. Reductions in cost per unit sold were realized primarily from a combination of increased wafer output, yield improvements, die shrinks, and transitions to generally higher density memory products.

	1995 -----	% Change -----	1994 -----	% Change -----	1993 -----
Selling, general, and administrative as a % of net sales	\$198.7 6.7%	46.4%	\$135.7 8.3%	54.4%	\$87.9 10.6%

The higher level of selling, general, and administrative expenses for 1995 as compared to 1994 principally resulted from a higher level of personnel costs associated with the Company's profit sharing programs, increased number of administrative employees, and to a lesser extent, increased advertising and credit card processing fees associated with the increased level of net sales of the Company's PC systems. Such increases were partially offset by a reduction in legal fees compared to 1994 primarily resulting from the Company's settlement of patent litigation in 1994.

The increase in selling, general, and administration expenses in 1994 compared to 1993 were primarily a result of a higher level of personnel costs associated with the Company's profit sharing programs; increased costs incurred with the Company's action before the International Trade Commission and patent litigation, each of which was settled in 1994; increased sales commissions based on a higher level of net sales; and a higher level of state sales tax.

	1995 -----	% Change -----	1994 -----	% Change -----	1993 -----
Research and development as a % of net sales	\$128.8 4.4%	54.4%	\$83.4 5.1%	45.5%	\$57.3 6.9%

Research and development expenses vary primarily based on the number of wafers and personnel dedicated to new product and process development. Research and development efforts in 1995 were focused primarily on development of 16 Meg and 4 Meg DRAM shrinks, 32K x 32 and 32K x 36 synchronous SRAMs, and design and development of the 64 Meg and 256 Meg DRAMs. The Company expects the level of research and development expenses in 1996 to be higher than in 1995 as additional resources are dedicated to the 16 Meg and 64 Meg DRAMs and the design and development of the 256 Meg DRAM, as well as design and development of new technologies including radio frequency identification systems, non-volatile semiconductor memory devices, and field emission flat panel displays.

	1995 -----	% Change -----	1994 -----	% Change -----	1993 -----
Income tax provision	\$506.4	125%	\$225.3	285%	\$58.5

The effective tax rate for 1995 is 37.5% which primarily reflects the statutory corporate tax rate and the net effect of state taxation. The effective tax rate for 1994 and 1993 was 36%. The increase in the Company's effective tax rate in 1995 was principally due to the change in the mix of income among taxing jurisdictions and the decreased utilization of state tax credits as a percentage of pretax income. State income taxes have been reduced by state tax credits.

### Merger Transaction

During 1995, the Company acquired ZEOS International, Ltd. ("ZEOS"), a manufacturer of PC systems, in a merger transaction accounted for as a purchase. Under terms of the transaction, the Company merged two of its operating subsidiaries, Micron Computer, Inc., and Micron Custom Manufacturing Services, Inc., with and into ZEOS on April 7, 1995, in exchange for an approximate 79% ownership interest in ZEOS. The newly merged company was renamed Micron Electronics, Inc. ("MEI"), and the results of its operations (including those of the former ZEOS operation subsequent to the merger date) are included in the consolidated financial statements of the Company. The merger resulted in the recognition of an approximate \$29.0 million pretax nonrecurring gain.

### Liquidity and Capital Resources

The Company had cash and liquid investments of \$556 million as of August 31, 1995, representing an increase of \$123 million during 1995. The Company's principal sources of liquidity during 1995 were cash flows from operations of \$1,039 million, equipment financing of \$231 million, proceeds from issuance of long-term debt of \$62 million, proceeds from issuance of common stock in connection with the Company's employee stock purchase and stock option plans of \$18 million. The principal uses of funds in 1995 were \$961 million for property, plant, and equipment, \$203 million for repayments of equipment contracts, \$63 million for payments on long-term debt, and \$31 million for payments of cash dividends.

As of August 31, 1995, the Company had contractual commitments extending through calendar 1998 of approximately \$643 million for equipment purchases and approximately \$35 million for the construction of buildings. The cost of the Utah complex is currently estimated to be approximately \$2.5 billion. Substantially all of the Company's near term cash flows from operations are expected to be dedicated to these capacity improvement programs. The Company can give no assurance that the expansion programs will be completed as currently scheduled or within current cost estimates.

The Company believes continuing investments in manufacturing technology, facilities and capital equipment, research and development, and product and process technology are necessary to support future growth, achieve operating efficiencies, and maintain product quality. The Company periodically evaluates various alternatives to expand its production capacity and evaluates opportunities for product diversification. Although in recent periods the Company has been able to fund such investments principally through cash flows from operations and equipment financings, historically, in order to fund such investments, the Company has required external sources to supplement the Company's cash flows from operations. The Company's current expansion and capital improvement projects at the Boise and Lehi sites are currently estimated to cost approximately \$4.5 billion. The Company may be required to pursue external sources of liquidity to complete its current expansion and capital improvement programs as scheduled. There can be no assurance that external sources of liquidity will be available to fund the Company's ongoing operations or expansion, diversification, and capital improvement programs on terms acceptable to the Company.

### **Certain Factors**

The semiconductor memory industry is characterized by rapid technological change, frequent product introductions and enhancements, difficult product transitions, relatively short product life cycles, and volatile market conditions. These characteristics historically have made the semiconductor industry highly cyclical, particularly in the market for DRAMs, which are the Company's primary products. Demand for semiconductor memory products has grown, fueled primarily by growth in the personal computer industry. The Company and many of its competitors are adding new facilities designed to process 8-inch wafers, which have approximately 84% greater usable surface area than 6-inch wafers. In addition, many competitors are currently believed to be running their 16 Meg DRAM manufacturing operations at significantly lower yields than could be expected when such products mature. The amount of capacity to be placed into production and future yield improvements by these competitors would dramatically increase world-wide supply of semiconductor memory. Excess supply of semiconductor memory, changes in demand for semiconductor memory market conditions, or currency fluctuation resulting in a strengthening dollar against the yen, could result in downward pricing pressure. A decline in the current favorable product pricing would have a material adverse effect on the Company's results of operations.

The Company is in the process of converting its existing wafer fabrication facilities and equipment to process 8-inch wafers from 6-inch. Such conversion requires expansion of portions of the Company's facilities and modifications, enhancements, or replacement of a significant portion of the Company's wafer processing equipment. There can be no assurance the Company will not experience an interruption of its manufacturing process or experience decreased manufacturing yields as a result of the conversion. An interruption of the manufacturing process or decreased manufacturing yields could have a material adverse effect on the Company's results of operations.

The manufacture of the Company's semiconductor memory products is a complex process and involves a number of precise steps, including wafer fabrication, assembly in a variety of packages, burn-in, and final test. From time to time, the Company has experienced volatility in its manufacturing yields, as it is not unusual to encounter difficulties in ramping shrink versions of existing devices or new generation devices to commercial volumes. The Company's net sales and operating results are highly dependent on increasing yields at an acceptable rate and to an acceptable level, of which there can be no assurance. Future results of operations may be adversely impacted if the Company is unable to transition to future generation products in a timely fashion or at gross margin rates comparable to the Company's current primary products.

Periodically, the Company is made aware that technology used by the Company in the manufacture of some or all of its products may infringe on product or process technology rights held by others. The Company has accrued a liability and charged operations for the estimated costs of settlement or adjudication of asserted and unasserted claims for infringement prior to the balance sheet date. Management can give no assurance that the amounts accrued have been adequate and cannot estimate the range of additional possible loss, if any, from resolution of these uncertainties. Resolution of whether the Company's manufacture of products has infringed on valid rights held by others may have a material adverse effect on the Company's financial position or results of operations, and may require material changes in production processes and products. The Company has various product and process technology agreements which expire in calendar 1995, including an agreement with IBM. The Company is unable to predict whether these license agreements can be obtained or renewed on terms acceptable to the Company. Failure to renew such licenses could result in litigation and the attendant cost and diversion of resources associated therewith and could

also result in material changes in the Company's production processes or products. Any such litigation on changes could have a material adverse effect on the Company's results of operations.

The Company began construction of an additional manufacturing facility in Utah which represents a significant capital investment by the Company. While the Company has at times conducted certain assembly and test operations at sites remote to its primary manufacturing operation, the Lehi, Utah facility will be the Company's first fabrication facility off the Boise site. The success of the Utah operation will largely depend on the Company's ability to achieve manufacturing efficiencies comparable to the Boise facility, which is largely a function of the skill and dedication of its work force. As of August 31, 1995, the Company's semiconductor manufacturing operations employed approximately 5,900 employees, an increase of 1,250 during the past year, and it is anticipated that the Utah site will employ approximately 3,500 full-time employees. The inability of the Company to retain a qualified work force or to locate and hire qualified candidates could have a negative affect on existing operations or limit efficiencies to be obtained by the Company's expansion efforts.

Item 8. Financial Statements and Supplementary Data

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Micron Technology, Inc.  
Consolidated Statements of Operations  
(Amounts in millions, except for per share amounts)

Fiscal year ended	August 31, 1995	September 1, 1994	September 2, 1993
Net sales	\$2,952.7	\$1,628.6	\$ 828.3
Costs and expenses:			
Cost of goods sold	1,328.7	789.4	517.2
Selling, general, and administrative	198.7	135.7	87.9
Research and development	128.8	83.4	57.3
Total costs and expenses	1,656.2	1,008.5	662.4
Operating income	1,296.5	620.1	165.9
Gain from merger transaction	29.0	--	--
Interest income (expense), net	25.0	5.7	(3.3)
Income before income taxes	1,350.5	625.8	162.6
Income tax provision	506.4	225.3	58.5
Net income	\$ 844.1	\$ 400.5	\$ 104.1
Earnings per share:			
Primary	\$3.95	\$1.92	\$0.52
Fully diluted	3.90	1.90	0.51
Number of shares used in per share calculation:			
Primary	213.9	208.9	200.3
Fully diluted	216.2	210.4	202.6

The accompanying notes are an integral part of the financial statements.

Micron Technology, Inc.  
Consolidated Balance Sheets  
(Dollars in millions, except for par value amount)

As of	August 31, 1995	September 1, 1994
-----		
Assets		
Cash and equivalents	\$ 128.1	\$ 78.4
Liquid investments	427.7	354.6
Receivables	455.4	235.7
Inventories	204.8	101.1
Prepaid expenses	9.1	3.3
Deferred income taxes	49.0	20.1
	-----	-----
Total current assets	1,274.1	793.2
Product and process technology, net	41.6	48.2
Property, plant, and equipment, net	1,385.6	663.5
Other assets	73.6	24.8
	-----	-----
Total assets	\$2,774.9	\$1,529.7
	=====	=====
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	\$ 502.3	\$ 200.2
Deferred income	16.4	13.0
Equipment purchase contracts	59.6	31.2
Current portion of long-term debt	26.5	29.8
	-----	-----
Total current liabilities	604.8	274.2
Long-term debt	129.4	124.7
Deferred income taxes	93.3	54.1
Other liabilities	51.2	27.4
	-----	-----
Total liabilities	878.7	480.4
	-----	-----
Commitments and contingencies		
Common stock, \$0.10 par value, authorized 300.0 million shares, issued and outstanding 206.4 million and 203.8 million shares, respectively	20.6	10.2
Additional capital	391.5	368.3
Retained earnings	1,484.1	670.8
	-----	-----
Total shareholders' equity	1,896.2	1,049.3
	-----	-----
Total liabilities and shareholders' equity	\$2,774.9	\$1,529.7
	=====	=====

The accompanying notes are an integral part of the financial statements.

Micron Technology, Inc.  
Consolidated Statements of Shareholders' Equity  
(Dollars and shares in millions)

Fiscal year ended	August 31, 1995		September 1, 1994		September 2, 1993	
	Shares	Amount	Shares	Amount	Shares	Amount
-----						
Common stock						
Balance at beginning of year	101.9	\$ 10.2	40.1	\$ 4.0	38.3	\$ 3.8
Stock sold	1.6	0.1	0.9	0.1	1.8	0.2
Stock split	102.9	10.3	60.9	6.1	--	--
	-----	-----	-----	-----	-----	-----
Balance at end of year	206.4	\$ 20.6	101.9	\$ 10.2	40.1	\$ 4.0
	=====	=====	=====	=====	=====	=====
Additional capital						
Balance at beginning of year		\$ 368.3		\$ 353.0		\$ 327.2
Stock sold		17.7		9.8		18.2
Stock option plan		2.2		1.0		(0.1)
Tax effect of stock purchase plans		13.6		10.6		7.7
Stock split		(10.3)		(6.1)		--
		-----		-----		-----
Balance at end of year		\$ 391.5		\$ 368.3		\$ 353.0
		=====		=====		=====
Retained earnings						
Balance at beginning of year		\$ 670.8		\$ 282.5		\$180.3
Net income		844.1		400.5		104.1
Dividends paid		(30.8)		(12.2)		(1.9)
		-----		-----		-----
Balance at end of year		\$1,484.1		\$ 670.8		\$ 282.5
		=====		=====		=====

The accompanying notes are an integral part of the financial statements.



Micron Technology, Inc.  
Consolidated Statements of Cash Flows  
(Dollars in millions)

Fiscal year ended	August 31, 1995	September 1, 1994	September 2, 1993
<b>Cash flows of operating activities</b>			
Net income	\$ 844.1	\$ 400.5	\$ 104.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	199.0	138.8	111.9
Increase in receivables	(197.9)	(81.0)	(76.7)
Increase in inventories	(76.0)	(17.9)	(8.7)
Increase in accounts payable and accrued expenses	249.4	45.2	96.2
Gain from merger transaction	(29.0)	--	--
Other	49.2	71.9	30.5
	-----	-----	-----
Net cash provided by operating activities	1,038.8	557.5	257.3
	-----	-----	-----
<b>Cash flows of investing activities</b>			
Purchase of available-for-sale and held-to-maturity securities	(719.6)	(403.6)	(218.0)
Proceeds from sales and maturities of securities	651.8	185.3	114.7
Expenditures for property, plant, and equipment	(730.0)	(251.0)	(83.4)
Other	27.2	(10.5)	(1.8)
	-----	-----	-----
Net cash used for investing activities	(770.6)	(479.8)	(188.5)
	-----	-----	-----
<b>Cash flows of financing activities</b>			
Payments on equipment purchase contracts	(202.5)	(119.3)	(63.0)
Proceeds from issuance of debt	62.4	119.2	41.7
Repayments of debt	(63.4)	(46.2)	(52.8)
Proceeds from issuance of common stock	18.4	12.1	19.3
Payments of dividends	(30.8)	(12.2)	(1.9)
Other	(2.6)	(0.4)	(0.3)
	-----	-----	-----
Net cash used for financing activities	(218.5)	(46.8)	(57.0)
	-----	-----	-----
Net increase in cash and equivalents	49.7	30.9	11.8
Cash and equivalents at beginning of year	78.4	47.5	35.7
	-----	-----	-----
Cash and equivalents at end of year	\$ 128.1	\$ 78.4	\$ 47.5
	=====	=====	=====
<b>Supplemental disclosures</b>			
Income taxes paid, net	\$ (438.6)	\$ (197.4)	\$ (22.1)
Interest paid	(9.5)	(6.6)	(6.1)
Noncash investing and financing activities:			
Equipment acquisitions on contracts payable and capital leases	230.8	125.6	71.0
Equipment acquisition in exchange for license of product and process technology	--	--	8.4
Assets acquired, net of cash and liabilities assumed in merger transaction	26.0	--	--

The accompanying notes are an integral part of the financial statements.

Notes to Consolidated Financial Statements

(All tabular dollar and share amounts are stated in millions)

**Significant Accounting Policies**

**Basis of presentation:** The consolidated financial statements include the accounts of Micron Technology, Inc., and its domestic and foreign subsidiaries (the "Company"). The Company designs, develops, manufactures, and markets semiconductor memory products, including DRAMs and SRAMs, personal computers and complex printed circuit board assemblies. All significant intercompany accounts and transactions have been eliminated. The Company's fiscal year ends on the Thursday closest to August 31. During 1995, the Company acquired ZEOS International, Ltd. ("ZEOS"), a manufacturer of personal computer systems, in a merger transaction accounted for as a purchase. Under terms of the transaction, the Company, merged two of its operating subsidiaries, Micron Computer, Inc., and Micron Custom Manufacturing Services, Inc., with and into ZEOS in exchange for an approximate 79% ownership interest in ZEOS. The newly merged company was renamed Micron Electronics, Inc. ("MEI"), and the results of its operations (including those of the former ZEOS operation subsequent to the merger date) are included in the consolidated financial statements of the Company.

**Revenue recognition:** Revenue from product sales to direct customers is recognized upon shipment. The Company defers recognition of sales to distributors, which allow certain rights of return and price protection, until distributors have sold the products. Net sales include construction management fees earned, and revenues under cross- license agreements with third parties and under government research contracts.

**Earnings per share:** Earnings per share are computed using the weighted average number of common and common equivalent shares outstanding. Common equivalent shares result from the assumed exercise of outstanding stock options and affect earnings per share when they have a dilutive effect.

**Financial instruments:** Cash equivalents include highly liquid short- term investments with original maturities of three months or less, readily convertible to known amounts of cash. The amounts reported as cash and equivalents, liquid investments, receivables, other assets, accounts payable and accrued expenses, and equipment purchase contracts and long-term debt are considered to be reasonable approximations of their fair values. The fair value estimates presented herein were based on market information available to management as of August 31, 1995. The use of different market assumptions and/or estimation methodologies could have a material effect on the estimated fair value amounts. The reported fair values do not take into consideration potential expenses that would be incurred in an actual settlement.

Financial instruments that potentially subject the Company to concentrations of credit risk, consist principally of cash, liquid investments, and trade accounts receivable. The Company invests cash through high-credit-quality financial institutions and performs periodic evaluations of the relative credit standing of these financial institutions. The Company, by policy, limits the concentration of credit exposure by restricting investments with any single obligor, instrument, or geographic area. A concentration of credit risk may exist with respect to trade receivables, as a substantial portion of the Company's customers are affiliated with the computer, telecommunications, and office automation industries. The Company performs ongoing credit evaluations of customers world-wide and generally does not require collateral from its customers. Historically, the Company has not experienced significant losses related to receivables for individual customers or groups of customers in any particular industry or geographic area.

**Inventories:** Inventories are stated at the lower of average cost or market. Cost includes labor, material, and overhead costs, including product and process technology costs.

**Property, plant, and equipment:** Property, plant, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 5 to 30 years for buildings and 2 to 5 years for equipment.

**Product and process technology:** Costs related to the conceptual formulation and design of products and processes are expensed as research and development. Costs incurred to establish patents and acquire product and process technology are capitalized. Capitalized costs are amortized on the units-of-production method and on the straight-line method over the shorter of the estimated useful life of the technology, the patent term, or the agreement, ranging up to 10 years.

**Foreign currency:** The U.S. dollar is the Company's functional currency for financial reporting.

Restatements and reclassifications: On March 27, 1995, the Company's Board of Directors announced a 2 for 1 stock split effected in the form of a stock dividend to shareholders of record as of May 4, 1995. On March 1, 1994, the Company's Board of Directors announced a 5 for 2 stock split effected in the form of a stock dividend to shareholders of record as of April 1, 1994. The Company distributed cash in lieu of fractional shares resulting from the stock split. The Company's par value of \$0.10 per share remained unchanged. Historical share and per share amounts have been restated to reflect retroactively the stock splits.

Certain reclassifications have been made, none of which affected results of operations, to present the financial statements on a consistent basis.

### Liquid Investments

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 115 "Accounting for Certain Investments in Debt and Equity Securities" as of September 1, 1994. Securities classified as available-for-sale are stated at their fair values which approximate cost. Securities classified as held-to-maturity are stated at amortized cost.

	8/31/95	9/1/94
-----		
Available-for-sale securities:		
U.S. Government agency	\$ 28.6	\$ 36.9
State and local governments	7.6	2.1
Corporate notes	4.0	3.9
	-----	-----
	40.2	42.9
	-----	-----
Held-to-maturity securities:		
State and local governments	196.2	140.3
Commercial paper	118.3	76.9
U.S. Government agency	88.8	51.1
Bankers' acceptances	44.5	42.5
Corporate notes	16.5	28.8
Certificate of deposit	1.0	--
Other	3.1	7.1
	-----	-----
Total investments	468.4	346.7
	-----	-----
Less cash equivalents	508.6	389.6
	(80.9)	(35.0)
	-----	-----
	\$ 427.7	\$ 354.6
	=====	=====

Securities classified as available-for-sale mature within one to three years, and securities classified as held-to-maturity have remaining maturities within one year.

### Receivables

	8/31/95	9/1/94
-----		
Trade receivables	\$ 457.4	\$ 227.6
Other	14.6	15.9
Allowance for returns and discounts	(9.2)	(5.2)
Allowance for doubtful accounts	(7.4)	(2.6)
	-----	-----
	\$ 455.4	\$ 235.7
	=====	=====

## Inventories

	8/31/95	9/1/94
Finished goods	\$ 17.8	\$ 5.2
Work in progress	99.1	64.2
Raw materials and supplies	87.9	31.7
	-----	-----
	\$ 204.8	\$ 101.1
	=====	=====

## Product and Process Technology

Amortization of capitalized product and process technology costs charged to operations was \$10.3 million in 1995; \$40.9 million in 1994; and \$26.2 million in 1993. Accumulated amortization was \$110.7 million and \$100.4 million as of August 31, 1995, and September 1, 1994, respectively.

## Property, Plant, and Equipment

	8/31/95	9/1/94
Land	\$ 34.4	\$ 7.9
Buildings	392.0	260.0
Equipment	1,338.4	825.5
Construction in progress	259.2	68.7
	-----	-----
	2,024.0	1,162.1
Less accumulated depreciation and amortization	(638.4)	(498.6)
	-----	-----
	\$1,385.6	\$ 663.5
	=====	=====

## Accounts Payable and Accrued Expenses

	8/31/95	9/1/94
Accounts payable	\$ 193.2	\$ 55.3
Salaries, wages, and benefits	103.2	63.5
Product and process technology payable	91.5	16.6
Income taxes payable	72.7	44.0
Other	41.7	20.8
	-----	-----
	\$ 502.3	\$ 200.2
	=====	=====

## Long-Term Debt

	8/31/95	9/1/94
Notes payable in periodic installments through July 2015, weighted average interest rate 6.82% and 7.30%, respectively	\$ 89.3	\$ 78.7
Noninterest bearing obligations, \$19.8 million due June 1997, \$3 million due October 1997 and \$20.5 million due December 1997, weighted average imputed interest rate of 6.85% and 6.50%, respectively	37.8	16.6
Notes payable, due at maturity, ranging from December 1996 to December 1997, weighted average interest rate of 5.49% and 5.11%, respectively	20.0	37.0
Capitalized lease obligations payable in monthly installments through April 1998, weighted average interest rate 8.94% and 7.93%, respectively	8.8	12.4
Noninterest bearing obligation, paid in November 1994, original face amount of \$50.0 million (net of discount based on imputed interest rate of 10.25%)	--	9.8
	-----	-----
	155.9	154.5
Less current portion	(26.5)	(29.8)
	-----	-----
	\$ 129.4	\$ 124.7
	=====	=====

Certain notes payable are collateralized by plant and equipment with a total cost of approximately \$103.3 million and accumulated depreciation of approximately \$42.7 million as of August 31, 1995. Equipment under capital leases, and the accumulated depreciation thereon, were approximately \$16.7 million and \$10.7 million, respectively, as of August 31, 1995, and \$16.9 million and \$8.5 million, respectively, as of September 1, 1994. Maturities of long-term debt are as follows:

Fiscal year	Notes payable	Noninterest bearing obligations	Capital leases
1996	\$ 23.5	\$ --	\$ 3.5
1997	61.0	19.8	5.2
1998	17.4	23.5	0.8
1999	6.9	--	--
2000	0.5	--	--
Less discount and interest	--	(5.5)	(0.7)
	-----	-----	-----
	\$ 109.3	\$ 37.8	\$ 8.8
	=====	=====	=====

Interest income in 1995 and 1994 is net of interest expense of \$7.3 million and \$5.8 million, respectively. Interest expense in 1993 is net of \$4.5 million of interest income. Construction period interest of \$4.9 million, \$2.6 million, and \$0.3 million was capitalized in 1995, 1994, and 1993, respectively.

## Stock Purchase Plans

The Company's 1985 and 1994 Incentive Stock Option Plans ("ISO Plans") provide for the granting of incentive or nonstatutory stock options. As of August 31, 1995, there was an aggregate of 22.1 million shares of common stock reserved for issuance of which 18.8 million are committed under the ISO Plans. Options are subject to terms and conditions determined by the Board of Directors, and generally are exercisable in increments of 20% during each year of employment beginning one year from date of grant and expire six years from date of grant.

Option activity under the ISO Plans is summarized as follows:

Fiscal year ended	8/31/95	9/1/94	9/2/93
-----	-----	-----	-----
Outstanding at beginning of year	11.6	9.7	12.4
Granted	5.0	5.0	4.8
Terminated or cancelled	(.5)	--	(0.3)
Exercised	(2.4)	(3.1)	(7.2)
-----	-----	-----	-----
Outstanding at end of year	13.7	11.6	9.7
=====	=====	=====	=====
Exercisable at end of year	1.4	.8	1.4
=====	=====	=====	=====
Shares available for future grants	3.3	5.8	10.7
=====	=====	=====	=====

Options outstanding under the ISO Plans as of August 31, 1995, were at per share prices ranging from \$1.53 to \$72.20. Options exercised were at per share prices ranging from \$1.30 to \$21.33 in 1995, \$1.30 to \$4.71 in 1994, and \$.85 to \$4.06 in 1993.

The 1989 Employee Stock Purchase Plan allows eligible employees to purchase shares of the Company's common stock through payroll deductions. The shares can be purchased for 85% of the lower of the beginning or ending fair market value of each three-month offering period and are restricted from resale for a period of one year from the date of purchase. Purchases are limited to 20% of an employee's eligible compensation. A total of 2.5 million shares are reserved for issuance under the plan, of which 1.2 million shares have been issued as of August 31, 1995.

## Employee Savings Plan

The Company has a 401(k) profit-sharing plan ("RAM Plan") in which substantially all employees are participants. Employees may contribute from 2% - 16% of their eligible pay to various savings alternatives in the RAM Plan. In 1994, the RAM Plan was modified, changing the Company's contribution, to provide for an annual match of the first \$1,500 of eligible employee contributions, in addition to contributions based on the Company's financial performance. The Company's RAM Plan expense was \$15.9 million in 1995, \$8.2 million in 1994, and \$2.4 million in 1993.

## Commitments

As of August 31, 1995, the Company had commitments of \$643.4 million for equipment purchases and \$34.6 million for the construction of buildings.

## Income Taxes

Effective the first day of fiscal 1994, the Company adopted SFAS No. 109, "Accounting for Income Taxes," which prescribes the liability method of accounting for income taxes. Adoption of SFAS No. 109 did not have a material effect on the Company's financial position or results of operations. Previously, income taxes were accounted for in accordance with SFAS No. 96.

The provision for income taxes consists of the following:

Fiscal year ended	8/31/95	9/1/94	9/2/93
-----	-----	-----	-----
Current:			
U.S. federal	\$ 409.3	\$ 192.4	\$ 57.9
State	64.6	25.2	4.8
Foreign	7.0	5.0	1.0
	-----	-----	-----
	480.9	222.6	63.7
	-----	-----	-----
Deferred:			
U.S. federal	21.6	2.3	(6.5)
State	3.9	0.4	1.4
Foreign	--	--	(0.1)
	-----	-----	-----
	25.5	2.7	(5.2)
	-----	-----	-----
Income tax provision	\$ 506.4	\$ 225.3	\$ 58.5
	=====	=====	=====

The tax benefit associated with disqualifying dispositions by employees of shares issued in the Company's stock purchase plans reduced taxes payable by \$13.6 million and \$10.6 million for 1995 and 1994, respectively. Such benefits are credited to additional capital.

A reconciliation between income tax computed using the federal statutory rate and the income tax provision follows:

U.S. federal income tax at statutory rate	\$ 472.7	\$ 219.0	\$ 56.4
State taxes, net of federal benefit	47.4	16.7	4.0
Other	(13.7)	(10.4)	(1.9)
	-----	-----	-----
Income tax provision	\$ 506.4	\$ 225.3	\$ 58.5
	=====	=====	=====

State taxes reflect utilization of investment tax credits of \$19.1 million, \$20.1 million and \$4.9 million for 1995, 1994 and 1993, respectively.

Deferred income taxes reflect the net tax effects of temporary differences between the basis of assets and liabilities for financial reporting and income tax purposes. The approximate tax effects of temporary differences which give rise to the net deferred tax liability are as follows:

	8/31/95	9/1/94
	-----	-----
Current deferred tax asset:		
Accrued product and process technology	\$ 10.4	\$ --
Inventory	9.7	2.3
Accrued compensation	6.0	5.8
Deferred income	3.4	3.7
Net operating loss acquired in merger	2.8	--
Other	16.7	8.3
	-----	-----
Net deferred tax asset	49.0	20.1
	-----	-----
Noncurrent deferred tax asset (liability):		
Excess tax over book depreciation	(83.5)	(58.2)
Accrued product and process technology	15.3	7.9
Investment in subsidiary	(11.5)	--
Other	(13.6)	(3.8)
	-----	-----
Net deferred tax liability	(93.3)	(54.1)
	-----	-----
Total net deferred tax liability	\$ (44.3)	\$ (34.0)
	=====	=====

During 1993, in accordance with SFAS No. 96, deferred income taxes were provided for significant temporary differences comprised of product and process technology of \$14.5 million, depreciation of \$2.8 million, and other items of \$6.5 million.

### Export Sales and Major Customers

Export sales were \$753.7 million, \$471.0 million, and \$250.9 million in 1995, 1994, and 1993, respectively. Sales to one personal computer manufacturing customer approximated 11% and 10% of total net sales in 1994 and 1993, respectively. No other customer individually accounted for 10% or more of the Company's total net sales.

### Contingencies

Periodically, the Company is made aware that technology used by the Company in the manufacture of some or all of its products may infringe on product or process technology rights held by others. The Company has accrued a liability and charged operations for the estimated costs of settlement or adjudication of asserted and unasserted claims for infringement prior to the balance sheet date. Management can give no assurance that the amounts accrued have been adequate and cannot estimate the range of additional possible loss, if any, from resolution of these uncertainties. Resolution of whether the Company's manufacture of products has infringed on valid rights held by others may have a material adverse effect on the Company's financial position or results of operations, and may require material changes in production processes and products. The Company has various product and process technology agreements which expire in calendar 1995, including an agreement with IBM. The Company is unable to predict whether these license agreements can be obtained or renewed on terms acceptable to the Company. Failure to renew such licenses could result in litigation and the attendant cost and diversion of resources associated therewith and could result in material changes in the Company's production processes or products. An adverse decision on any such litigation or such material changes could have a material effect on the Company's financial position or results of operations. The Company is not able to predict whether these license agreements can be renewed on terms acceptable to the Company.

The Company is currently a party to various other legal actions arising out of the normal course of business, none of which are expected to have a material effect on the Company's financial position or results of operations.



## Quarterly Financial and Market Information (Unaudited)

(Dollars in millions, except for per share amounts)

1995 Quarter	1st	2nd	3rd	4th
	-----	-----	-----	-----
Net sales	\$ 535.0	\$ 628.5	\$ 761.2	\$1,028.0
	-----	-----	-----	-----
Costs and expenses:				
Cost of goods sold	224.5	267.5	357.2	479.5
Selling, general, and administrative	38.2	39.0	54.4	67.1
Research and development	27.0	28.9	33.6	39.3
	-----	-----	-----	-----
Total costs and expenses	289.7	335.4	445.2	585.9
	-----	-----	-----	-----
Operating income	245.3	293.1	316.0	442.1
Gain from merger transaction	--	--	29.0	--
Interest income, net	3.6	6.5	7.4	7.5
	-----	-----	-----	-----
Income before income taxes	248.9	299.6	352.4	449.6
Income tax provision	89.6	116.1	132.2	168.5
	-----	-----	-----	-----
Net income	\$ 159.3	\$ 183.5	\$ 220.2	\$ 281.1
	=====	=====	=====	=====
Fully diluted earnings per share	\$ .75	\$ .86	\$1.02	\$1.29
	-----	-----	-----	-----
Quarterly stock price:				
High	\$21.63	\$33.13	\$50.75	\$78.00
Low	15.25	19.94	32.56	44.75
Dividends declared per share	0.025	0.025	0.050	0.050
	-----	-----	-----	-----
1994 Quarter	1st	2nd	3rd	4th
	-----	-----	-----	-----
Net sales	\$ 320.1	\$ 390.5	\$ 426.4	\$ 491.6
	-----	-----	-----	-----
Costs and expenses:				
Cost of goods sold	166.6	204.1	207.0	211.7
Selling, general, and administrative	34.1	33.1	35.8	32.7
Research and development	14.3	18.7	22.9	27.5
	-----	-----	-----	-----
Total costs and expenses	215.0	255.9	265.7	271.9
	-----	-----	-----	-----
Operating income	105.1	134.6	160.7	219.7
Interest income, net	0.4	1.0	2.3	2.0
	-----	-----	-----	-----
Income before income taxes	105.5	135.6	163.0	221.7
Income tax provision	38.0	48.8	58.7	79.8
	-----	-----	-----	-----
Net income	\$ 67.5	\$ 86.8	\$ 104.3	\$ 141.9
	=====	=====	=====	=====
Fully diluted earnings per share	\$0.33	\$0.41	\$0.49	\$0.67
	-----	-----	-----	-----
Quarterly stock price:				
High	\$12.73	\$15.30	\$19.95	\$22.44
Low	7.58	8.73	14.13	15.31
Dividends declared per share	0.010	--	0.025	0.025

As of August 31, 1995, the Company had 5,649 shareholders of record.

Cost of goods sold for the third quarter of 1995 included a \$25.0 million pretax charge associated with contingencies for product and process technology rights.

## Report of Independent Accountants

The Shareholders and Board of Directors  
Micron Technology, Inc.

We have audited the consolidated financial statements of Micron Technology, Inc., listed in the index on page 40 of this Form 10-K. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Micron Technology, Inc., as of August 31, 1995, and September 1, 1994, and the consolidated results of their operations and their cash flows for each of the three years in the period ended August 31, 1995, in conformity with generally accepted accounting principles.

As discussed in the contingencies note to the consolidated financial statements, management can give no assurance that the amounts accrued as of August 31, 1995, for estimated costs of settlement or adjudication of asserted and unasserted claims for infringement of product and process technology rights held by others, have been adequate, nor can management estimate the range of additional possible loss, if any, from resolution of these uncertainties.

*/s/ Coopers & Lybrand L.L.P.*

*Boise, Idaho  
September 21, 1995*

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**PART III**

**Item 10. Directors and Executive Officers of the Registrant**

**Item 11. Executive Compensation**

**Item 12. Security Ownership of Certain Beneficial Owners and Management**

**Item 13. Certain Relationships and Related Transactions**

Certain information concerning the registrant's executive officers is included under the caption "Executive Officers of the Registrant" following Part I, Item 1 of this report. Other information required by Items 10, 11, 12 and 13 will be contained in the registrant's Proxy Statement which will be filed with the Securities and Exchange Commission within 120 days after August 31, 1995, and is incorporated herein by reference.

## PART IV

### Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as part of this report:

Consolidated financial statements and financial statement schedules

-- see "Item 8. Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements - Contingencies."

Exhibit	Description
3.1	Certificate of Incorporation of the Registrant, as amended.
3.7	Bylaws of the Registrant, as amended.
10.82	Form of Indemnification Agreement between the Registrant and its officers and directors.(1)
10.91	Board Resolution regarding stock and bonus plan vesting schedules in the event of change in control of the Registrant.(2)
10.92	Additional provisions related to Management Bonus Arrangements for Certain Executive Officers.(2)
10.96	Form of Termination Agreement for members of the Registrant's Operations Committee and other Officers of the Company.(3)
10.100	Amended and Restated 1985 Incentive Stock Option Plan.(4)
10.103	Real Estate Agreement and Addendum dated May 29, 1991 between the Registrant and Thomas T. Nicholson, Allen T. Noble, Don J. Simplot, J. R. Simplot, Ronald C. Yanke, Semienterprises, a partnership and Macron, a partnership.(5)
10.105	Form of Management bonus arrangements for Executive Officers of Micron Technology, Inc., and Micron Semiconductor, Inc., for 1993.(5)
10.109	Form of Management bonus arrangements for Executive Officers of Micron Technology, Inc., and Micron Semiconductor, Inc., for 1994.(6)
10.110	1994 Stock Option Plan
10.111	Executive Bonus Plan
11.1	Computation of Per Share Earnings.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Independent Accountants.
27.1	Financial Data Schedule

- 
- (1) Incorporated by Reference to Proxy Statement for the 1986 Annual Meeting of Shareholders.
  - (2) Incorporated by Reference to Annual Report on Form 10-K for the fiscal year ended August 31, 1989.
  - (3) Incorporated by Reference to Annual Report on Form 10-K for the fiscal year ended August 30, 1990.
  - (4) Incorporated by Reference to Registration Statements on Forms S-8 (Reg. Nos. 33-38665, 33-38926, and 33-52653).
  - (5) Incorporated by Reference to Annual Report on Form 10-K for the fiscal year ended September 3, 1992.
  - (6) Incorporated by Reference to Annual Report on Form 10-K for the fiscal year ended September 2, 1993.

Exhibit numbers from Registration Statement on Form S-1 (Reg. No. 2-93343) retained, where applicable.

(b) Reports on Form 8-K:

The registrant did not file any Reports on Form 8-K during the quarter ended August 31, 1995.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boise, State of Idaho, on the 10th day of October, 1995. MICRON TECHNOLOGY, INC.

By */s/ Wilbur G. Stover, Jr.*  
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*Wilbur G. Stover, Jr., Vice President,  
 Finance, Chief Financial Officer and  
 Corporate Secretary  
 (Principal Financial and Accounting Officer)*

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<i>Signature</i>	<i>Title</i>	<i>Date</i>
-----		
<i>/s/ Steven R. Appleton</i> ----- <i>(Steven R. Appleton)</i>	<i>Chairman of the Board, Chief Executive Officer and President (Principal Executive Officer)</i>	<i>October 10, 1995</i>
<i>/s/ Tyler A. Lowrey</i> ----- <i>(Tyler A. Lowrey)</i>	<i>Director, Vice Chairman and Chief Technical Officer</i>	<i>October 10, 1995</i>
<i>/s/ Wilbur G. Stover, Jr.</i> ----- <i>(Wilbur G. Stover, Jr.)</i>	<i>Director; Vice President, Finance, Chief Financial Officer and Corporate Secretary (Principal Financial and Accounting Officer)</i>	<i>October 10, 1995</i>
<i>/s/ Jerry M. Hess</i> ----- <i>(Jerry M. Hess)</i>	<i>Director</i>	<i>October 10, 1995</i>
<i>/s/ Robert A. Lothrop</i> ----- <i>(Robert A. Lothrop)</i>	<i>Director</i>	<i>October 10, 1995</i>
<i>/s/ Thomas T. Nicholson</i> ----- <i>(Thomas T. Nicholson)</i>	<i>Director</i>	<i>October 10, 1995</i>
<i>/s/ Allen T. Noble</i> ----- <i>(Allen T. Noble)</i>	<i>Director</i>	<i>October 10, 1995</i>
----- <i>(Don J. Simplot)</i>	<i>Director</i>	<i>October 10, 1995</i>
<i>/s/ John R. Simplot</i> ----- <i>(John R. Simplot)</i>	<i>Director</i>	<i>October 10, 1995</i>
----- <i>(Gordon C. Smith)</i>	<i>Director</i>	<i>October 10, 1995</i>

**EXHIBIT 3.1**

**CERTIFICATE OF INCORPORATION  
OF  
MICRON TECHNOLOGY, INC.**

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1. The name of the corporation is MICRON TECHNOLOGY, INC.
2. The address of its registered office in the State of Delaware is No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.
3. The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.
4. The total number of shares of stock which the corporation shall have authority to issue is fifty million (50,000,000) and the par value of each of such shares is Ten Cents (\$0.10) amounting in the aggregate to Five Million Dollars (\$5,000,000.00).

At all elections of directors of the corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected by him, and he may cast all of such votes for a single director

or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

5. The name and mailing address of each incorporator is as follows:

NAME	MAILING ADDRESS
W. J. Reif	100 West Tenth Street Wilmington, Delaware 19801
V. A. Brookens	100 West Tenth Street, Wilmington, Delaware 19801
J. L. Austin	100 West Tenth Street, Wilmington, Delaware 19801

6. The corporation is to have perpetual existence.

7. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to make, alter or repeal the by-laws of the corporation.

8. Elections of directors need not be by written ballot unless the by-laws of the corporation shall so provide.

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation.

9. The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this 6th day of April, 1984.

**W. J. REIF**  
**W. J. REIF**

**V. A. BROOKENS**  
**V.A. BROOKENS**

**J. L. AUSTIN**  
**J. L. AUSTIN**



**CERTIFICATE OF FIRST AMENDMENT  
TO THE CERTIFICATE OF INCORPORATION OF  
MICRON TECHNOLOGY, INC.**

The undersigned, Juan A. Benitez, President and Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with

Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 27, 1986 which sets forth the proposed amendment, declared its advisability and directed that it be considered at the Annual Meeting of Shareholders. At the regularly scheduled Annual Meeting of Shareholders held on January 26, 1987, after due notice thereof in accordance with the law, a majority of said shareholders entitled to vote thereon has been voted in favor of said amendment. Said amendment as adopted and approved adds the following provisions to the Certificate of Incorporation:

10. Pursuant to, and to the full extent permitted by

Section 102(b) and any other relevant provisions of the General Corporation Law of the State of Delaware, no director shall be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of a director (i) for any breach of director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit.

11. Pursuant to, and to the full extent permitted by,

Section 145 and any other relevant provisions of the General Corporation Law of the State of Delaware, the corporation shall, and is hereby obligated to, indemnify any person, or the heirs, executors, or administrators of such person, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. The corporation shall, and is hereby obligated to, indemnify any of said persons in each and every situation where the corporation is obligated to make such indemnification pursuant to said statutory provisions. The corporation shall also, and is hereby obligated to, indemnify any of said persons in each and every situation where, under the aforesaid statutory provisions, the corporation is not obligated, but is nevertheless permitted or empowered, to make such indemnification, it being understood that, prior to making such indemnification, the corporation shall make, or cause to be made, such determinations or decisions, following such procedures or methods, as are required by said statutes.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the corporate seal of said corporation as of this 28th of January 1987.

Juan A. Benitez

Juan A. Benitez, President Cathy L. Smith  
**Cathy L. Smith, Secretary**

**ACKNOWLEDGMENT**

**STATE OF IDAHO**

**COUNTY OF ADA**

The foregoing instrument was acknowledged before me this 28th day of January, 1987 by Juan A. Benitez, as President and Cathy L. Smith, as Corporate Secretary of Micron Technology, Inc., a Delaware corporation, on behalf of the corporation and that the same is the act and deed of the corporation and the facts stated therein are true.

**Notary Public Jill L. Henson**

My commission expires 7/88  
(SEAL)

**CERTIFICATE OF SECOND AMENDMENT  
TO THE CERTIFICATE OF INCORPORATION OF  
MICRON TECHNOLOGY, INC.**

The undersigned, Randal W. Chance, President and Chief Operating Officer and Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 31, 1988 which sets forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1988 Annual Meeting of Shareholders held on January 30, 1989, after due notice thereof in accordance with the law, a majority of the outstanding stock entitled to vote thereon has been voted in favor of said amendment. Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is one hundred million (100,000,000) and the par value of each of such shares is Ten Cents (\$.10) amounting in the aggregate to Ten Million Dollars (\$10,000,000.00)

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the corporate seal of said corporation as of the 31st of January, 1989.

**Randal W. Chance**

Randal W. Chance, President and Chief Operating Officer

**Cathy L. Smith**

**Cathy L. Smith, Corporate Secretary**

**ACKNOWLEDGEMENT**

**STATE OF IDAHO**

**COUNTY OF ADA**

The foregoing instrument was acknowledged before me this 31st day of January, 1989 by Randal W. Chance, as President and Chief Operation Officer and Cathy L. Smith as Corporate Secretary of Micron Technology, Inc., a Delaware corporation, on behalf of the corporation and that the same is the act and deed of the corporation and the facts stated therein are true.

Notary Public Benicia R. Morrison  
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6-24-94

My Commission Expires -----

(SEAL)

**CERTIFICATE OF THIRD AMENDMENT  
TO THE CERTIFICATE OF INCORPORATION OF  
MICRON TECHNOLOGY, INC.**

The undersigned, James W. Garrett, President and Chief Operating Officer and Jill L. Devereaux, Assistant Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on December 2, 1993 which set forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1993 Annual Meeting of Shareholders duly held on January 31, 1994, after due notice thereof in accordance with applicable law, a majority of the outstanding stock entitled to vote thereon voted in favor of said amendment. Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is one hundred fifty million (150,000,000) and the par value of each of such shares is Ten Cents (\$0.10).

IN WITNESS WHEREOF, this Certificate of Third Amendment to the Company's Certificate of Incorporation have been executed this 8th day of February, 1994.

**James W. Garrett**

James W. Garrett, President and Chief Operating Officer

**Jill L. Devereaux**

Jill L. Devereaux, Assistant Corporate  
Secretary

I, Sherilyn Maxfield, a notary public, do hereby certify that on this 8th day of February, 1994, personally appeared before me James W. Garrett and Jill L. Devereaux who, being by me first duly sworn, declared that they are the President and Chief Operating Officer and Assistant Corporate Secretary, respectively, of Micron Technology, Inc., that they signed the foregoing document as President and Chief Operating Officer and Assistant Corporate Secretary of the corporation, and that the statements therein contained are true.

**Sherilyn Maxfield**

Notary Public Residing at Boise, Idaho

**Commission Expires 10/21/97**

(seal)

**CERTIFICATE OF FOURTH AMENDMENT  
TO THE CERTIFICATE OF INCORPORATION OF  
MICRON TECHNOLOGY, INC.**

The undersigned, Steven R. Appleton, Chief Executive Officer and President and Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 27, 1994 which set forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1994 Annual Meeting of Shareholders duly held on January 30, 1995, after due notice thereof in accordance with applicable law, a majority of the outstanding stock entitled to vote thereon voted in favor of said amendment. Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is three hundred million (300,000,000) and the par value of each of such shares is Ten Cents (\$0.10).

IN WITNESS WHEREOF, this Certificate of Fourth Amendment to the Company's Certificate of Incorporation have been executed this 30th day of January, 1995.

**Steven R. Appleton**

Steven R. Appleton, Chairman, Chief Executive Officer and President

**Cathy L. Smith**

**Cathy L. Smith, Corporate Secretary**

I, Sherilyn Maxfield, a notary public, do hereby certify that on this 30th day of January, 1995, personally appeared before me Steven R. Appleton and Cathy L. Smith who, being by me first duly sworn, declared that they are the Chairman, Chief Executive Officer and President and Corporate Secretary, respectively, of Micron Technology, Inc., that they signed the foregoing document as Chairman, Chief Executive Officer and President and Corporate Secretary of the corporation, and that the statements therein contained are true.

**Sherilyn Maxfield**

Notary Public Residing at Ada County

**Commission Expires 10/21/97**

(seal)

**EXHIBIT 3.7**

**BYLAWS**

**OF**

**MICRON TECHNOLOGY, INC.**

**ARTICLE I**

**OFFICES**

SECTION 1. The registered office shall be 100 West Tenth Street, in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

**ARTICLE II**

**MEETINGS OF STOCKHOLDERS**

SECTION 1. All meetings of the stockholders shall be held at the principal office of the corporation in the City of Boise, State of Idaho, or at such other place either within or without the State of Delaware as shall be designated in the notice of the meeting or in a duly executed waiver of notice thereof.

SECTION 2. Annual meetings of stockholders shall be held on such day and such hour as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. At such meeting, the stockholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

SECTION 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the

name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the Board of Directors, the Chairman of the Board, the president, or by the holders of shares entitled to cast not less than twenty percent (20%) of the votes at the meeting. Such request shall state the purpose or purposes of the proposed meeting.

SECTION 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

SECTION 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having



voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Certificate of Incorporation, a different vote is required in which case such express provision shall govern and control the decision of the question.

SECTION 10. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, regardless of class, but no proxy shall be voted on or after three years from its date, unless the proxy provides for a longer period. Vote may be viva voice or by ballot; provided, however, that elections for directors must be by ballot upon demand by a shareholder at the meeting and before the voting begins.

At all elections of directors of the corporation each stockholder having voting power shall be entitled to exercise the right of cumulative voting as provided in the Certificate of Incorporation.

SECTION 11. Unless otherwise provided in the Certificate of Incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, of a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

### **ARTICLE III**

#### **DIRECTORS**

SECTION 1. The authorized number of directors of the corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

SECTION 2. The directors shall be elected at each annual meeting of shareholders, but if any such annual

meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of the shareholders held for that purpose. All directors shall hold office until the expiration of the term for which elected and until their respective successors are elected, except in the case of death, resignation or removal of any director. A director need not be a shareholder.

SECTION 3. Any director may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

SECTION 4. The entire Board of Directors or any individual director may be removed from office, prior to the expiration of their or his term of office only in the manner and within the limitations provided by the General Corporation Law of Delaware.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

SECTION 5. A vacancy in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail at any annual or special meeting of shareholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

Vacancies in the Board of Directors may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. Each director so elected shall hold office until the expiration of the term for which he was elected and until his successor is elected at an annual or a special meeting of the shareholders, or until his death, resignation or removal.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. Any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

SECTION 6. The business of the corporation shall be managed by or under the direction of its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by

the Certificate of Incorporation or these Bylaws directed or required to be exercised or done by the stockholders.

## **MEETINGS OF THE BOARD OF DIRECTORS**

SECTION 7. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

SECTION 8. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 9. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.

SECTION 10. Special meetings of the Board may be called by the president on two days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the Chairman of the Board or two directors.

SECTION 11. At all meetings of the Board a majority of the authorized number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 12. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee,

as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

SECTION 13. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

## **COMMITTEES OF DIRECTORS**

SECTION 14. The Board of Directors may, by resolution passed by a majority of the authorized number of directors, appoint an executive committee consisting of two or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The executive committee, to the extent provided in the resolution of the Board of Directors and subject to any limitation by statute, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but it shall not have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the Bylaws of the corporation; and, unless the resolution or the Certificate of Incorporation expressly so provide, it shall not have the power or authority to declare a dividend or to authorize the issuance of stock.

SECTION 15. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate such other committees, each consisting of 2 or more directors, as it may from time to time deem advisable to perform such general or special duties as may from time to time be delegated to any such committee by the Board of Directors, subject to the limitations imposed by statute or by the Certificate of Incorporation or by these Bylaws. The Board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee.

## **COMPENSATION OF DIRECTORS**

SECTION 17. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance of each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

## **ARTICLE IV**

### **NOTICES**

SECTION 1. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

SECTION 2. Whenever any notice is required to be given under the provisions of the Delaware statutes or of the Certificate of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

## **ARTICLE V**

### **OFFICERS**

SECTION 1. The officers of the corporation shall be chosen by the Board of Directors, and shall be a president, a vice-president, a secretary, and a treasurer. The Board of Directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide.

SECTION 2. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a president, one or more vice-presidents, a secretary and a treasurer.

SECTION 3. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 4. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

SECTION 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

### **THE CHAIRMAN OF THE BOARD**

SECTION 6. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by these Bylaws.

### **THE PRESIDENT**

SECTION 7. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the general manager of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the Chairman of the Board or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws.

SECTION 8. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

### **THE VICE-PRESIDENTS**

SECTION 9. In the absence of the president or in the event of his inability or refusal to act, the vice- president (or in the event there be more than one vice- president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

### **SECRETARY AND ASSISTANT SECRETARY**

SECTION 10. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be placed. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

SECTION 11. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## **THE TREASURER AND ASSISTANT TREASURERS**

SECTION 12. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

SECTION 13. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

SECTION 14. If required by the Board of Directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

SECTION 15. If the assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## **ARTICLE VI**

### **CERTIFICATE OF STOCK**

SECTION 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the chairman or vice- chairman of the Board of Directors, or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.



Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 2. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature have been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

## **LOST CERTIFICATES**

SECTION 3. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit to that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

## **TRANSFER OF STOCK**

SECTION 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

## **FIXING RECORD DATE**

SECTION 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any such other action. A determination of shareholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

## **REGISTERED STOCKHOLDERS**

SECTION 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

SECTION 7. The accounting books and records, and minutes of proceedings of the shareholders and the Board of Directors and committees of the Board shall be open to inspection upon written demand made upon the corporation by any shareholder or the holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to his interest as a shareholder, or as the holder of such voting trust certificate. The record of shareholders shall also be open to inspection by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on

the corporation, for a purpose reasonably related to such holder's interest as a shareholder or holder of a voting trust certificate. Such inspection may be made in person or by an agent or attorney, and shall include the right to copy and to make extracts.

## **ARTICLE VII**

### **GENERAL PROVISIONS**

#### **DIVIDENDS**

SECTION 1. Dividends upon the capital stock of the corporation, subject to the provision of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

SECTION 2. Before payment of any dividend, there may be set aside out of funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

#### **CHECKS**

SECTION 3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

#### **FISCAL YEAR**

SECTION 4. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

#### **SEAL**

SECTION 5. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

**INDEMNIFICATION**

SECTION 6. The corporation shall indemnify its officers, directors, employees and agents to the extent permitted by the General Corporation Law of Delaware.

**ARTICLE VIII**

**AMENDMENTS**

SECTION 1. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or the Board of Directors if notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Directors by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

I, Nancy A. Stanger, the secretary of Micron Technology, Inc., a Delaware corporation, hereby certify:

The foregoing bylaws, comprising 14 pages, were adopted as the bylaws of Micron Technology on May 21, 1984.

DATED:     May 25                             , 19 84  
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Nancy A. Stanger

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Nancy A. Stanger

**SEAL**

**CERTIFICATE OF FIRST AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

We, the undersigned, being the President and Secretary, respectively, of MICRON TECHNOLOGY, INC., a corporation organized and existing under the laws of the State of Delaware, do hereby certify that a meeting of the Board of Directors of this Corporation was held on December 17, 1984 and an amendment to the Bylaws of MICRON TECHNOLOGY, INC. was unanimously adopted.

The amendment adopted was pursuant to a Resolution reading as follows:

RESOLVED: The Board hereby approves that the second paragraph of Article II Section 10 of the Bylaws of the Company be amended to read as follows:

"At all elections of directors of the corporation each stockholder having voting power shall be entitled to exercise the right of cumulative voting as provided in the Certificate of Incorporation. However, no stockholder shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or candidate's names have been placed in nomination prior to the voting and a stockholder has given notice at the meeting prior to the voting of the stockholder's intention to cumulate votes. If any stockholder has given such notice, all stockholders may cumulate their votes for candidates in nomination."

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Corporation this 5th day of July , 19 85 .

**MICRON TECHNOLOGY, INC.**

BY: Joseph L. Parkinson  
-----  
Joseph L. Parkinson, President

(SEAL)

BY: Cathy L. Smith  
-----  
Cathy L. Smith, Secretary

STATE OF IDAHO        )  
                              )    ss.  
County of Ada         )

On this 5th day of July , 19 85 , before me, the undersigned, personally appeared JOSEPH L. PARKINSON and CATHY L. SMITH, known to me to be the President and Secretary, respectively, of MICRON TECHNOLOGY, INC., the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year first above written.

**Jill L. Henson**

Notary Public for Idaho Residing at Boise

**CERTIFICATE OF SECOND AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on March 3, 1986:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation effective as of the 3rd day of March, 1986.

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Cathy L. Smith  
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Corporate Secretary

(SEAL)

**CERTIFICATE THIRD AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on November 24, 1986:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 24th day of November, 1986.

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Cathy L. Smith  
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Corporate Secretary

(SEAL)



**CERTIFICATE OF FOURTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 28, 1987:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 28th day of September, 1987.

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Cathy L. Smith  
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Cathy L. Smith  
Corporate Secretary

(SEAL)

**CERTIFICATE OF FIFTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on March 28, 1988:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 28th day of March, 1988.

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Cathy L. Smith  
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Corporate Secretary

(SEAL)

**CERTIFICATE OF SIXTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on October 3, 1988:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 17th day of October, 1988.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**CERTIFICATE OF SEVENTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 25, 1989:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 28th day September, 1989.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**CERTIFICATE OF EIGHTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on October 30, 1989:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 30th day of October, 1989.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**CERTIFICATE OF NINTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on August 27, 1990:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 27th day of August, 1990.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**CERTIFICATE OF TENTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 24, 1990:

RESOLVED: Article III, Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 24th day of September, 1990.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**CERTIFICATE OF ELEVENTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on July 27, 1992:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 27th day of July, 1992.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)



**CERTIFICATE OF TWELFTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on May 23, 1994:

RESOLVED: Article III, Section I of the Bylaws of this corporation are hereby amended to read as follows:

SECTION I. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section I may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 23rd day of May, 1994.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**CERTIFICATE OF THIRTEENTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 1, 1994:

RESOLVED: Article III, Section I of the Bylaws of this corporation are hereby amended to read as follows:

SECTION I. The authorized number of directors of the Corporation shall be eleven. The number of directors provided in this Section I may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 1st day of September, 1994.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**CERTIFICATE OF FOURTEENTH AMENDMENT  
TO THE BYLAWS OF  
MICRON TECHNOLOGY, INC.**

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on October 27, 1994:

RESOLVED: Article III, Section I of the Bylaws of this corporation are hereby amended to read as follows:

SECTION I. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section I may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 27th day of October, 1994.

**Cathy L. Smith**  
**Corporate Secretary**

(SEAL)

**EXHIBIT 10.110**

**MICRON TECHNOLOGY, INC.  
1994 STOCK OPTION PLAN**

1. Purposes of the Plan. The purposes of this Stock Option Plan are:

- \* to attract and retain the best available personnel for positions of substantial responsibility,
- \* to provide additional incentive to Employees and Consultants, and
- \* to promote the success of the Company's business.

Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant.

2. Definitions. As used herein, the following definitions shall apply:

- (a) "Administrator" means the Board or any of its Committees as shall be administering the Plan, in accordance with Section 4 of the Plan.
- (b) "Applicable Laws" means the legal requirements relating to the administration of stock option plans under Delaware corporate and securities laws and the Code.
- (c) "Board" means the Board of Directors of the Company.
- (d) "Change in Control" means the acquisition by any person or entity, directly, indirectly or beneficially, acting alone or in concert, of more than thirty-five percent (35%) of the Common Stock of the Company outstanding at any time.
- (e) "Code" means the Internal Revenue Code of 1986, as amended.
- (f) "Committee" means a Committee appointed by the Board in accordance with Section 4 of the Plan.
- (g) "Common Stock" means the Common Stock of the Company.
- (h) "Company" means Micron Technology, Inc., a Delaware corporation.
- (i) "Consultant" means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services and who is compensated for such services. The term "Consultant" shall not include Directors who are paid only a director's fee by the Company or who are not compensated by the Company for their services as Directors.

(j) "Continuous Status as an Employee or Consultant" means that the employment or consulting relationship with the Company, any Parent, or Subsidiary, is not interrupted or terminated. Continuous Status as an Employee or Consultant shall not be considered interrupted in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor. A leave of absence approved by the Company shall include sick leave, military leave, or any other personal leave approved by an authorized representative of the Company. For purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

(k) "Director" means a member of the Board.

(l) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(m) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(n) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(o) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange, including without limitation the New York Stock Exchange ("NYSE"), or a national market system, the Fair Market Value of a Share of Common Stock shall be the average closing price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system (or the exchange with the greatest volume of trading in Common Stock) for the five business days preceding the day of determination, as reported in the The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is quoted on the over-the-counter market or is regularly quoted by a recognized securities dealer, but selling prices are not reported, the Fair Market Value of a Share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the last market trading day prior to the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(iii) In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Administrator.

- (p) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.
- (q) "Nonstatutory Stock Option" means an Option not intended to qualify as an Incentive Stock Option.
- (r) "Notice of Grant" means a written notice evidencing certain terms and conditions of an individual Option grant. The Notice of Grant is subject to the terms and conditions of the Option Agreement.
- (s) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.
- (t) "Option" means a stock option granted pursuant to the Plan.
- (u) "Option Agreement" means a written agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.
- (v) "Option Exchange Program" means a program whereby outstanding options are surrendered in exchange for options with a lower exercise price.
- (w) "Optioned Stock" means the Common Stock subject to an Option.
- (x) "Optionee" means an Employee or Consultant who holds an outstanding Option.
- (y) "Parent" means a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code.
- (z) "Plan" means this 1994 Option Plan.
- (aa) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.
- (bb) "Share" means a share of the Common Stock, as adjusted in accordance with Section 12 of the Plan.
- (cc) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code. In the case of an Option that is not intended to qualify as an Incentive Stock Option, the term "Subsidiary" shall also include any other entity in which the Company, or any Parent or Subsidiary of the Company has a significant ownership interest.

3. Stock Subject to the Plan. Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be optioned and sold under the Plan is 2,000,000 Original Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

If an Option expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated); provided, however, that Shares that have actually been issued under the Plan shall not be returned to the Plan and shall not become available for future distribution under the Plan.

#### 4. Administration of the Plan.

##### (a) Procedure.

(i) Multiple Administrative Bodies. If permitted by Rule 16b-3, the Plan may be administered by different bodies with respect to Directors, Officers who are not Directors, and Employees who are neither Directors nor Officers.

(ii) Administration With Respect to Directors and Officers Subject to Section 16(b). With respect to Option grants made to Employees who are also Officers or Directors subject to Section 16(b) of the Exchange Act, the Plan shall be administered by (A) the Board, if the Board may administer the Plan in compliance with the rules governing a plan intended to qualify as a discretionary plan under Rule 16b-3, or (B) a committee designated by the Board to administer the Plan, which committee shall be constituted to comply with the rules governing a plan intended to qualify as a discretionary plan under Rule 16b-3. Once appointed, such committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and substitute new members, fill vacancies (however caused), and remove all members of the Committee and thereafter directly administer the Plan, all to the extent permitted by the rules governing a plan intended to qualify as a discretionary plan under Rule 16b-3.

(iii) Administration With Respect to Other Persons. With respect to Option grants made to Employees or Consultants who are neither Directors nor Officers of the Company, the Plan shall be administered by (A) the Board or (B) a committee designated by the Board, which committee shall be constituted to satisfy Applicable Laws. Once appointed, such Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and substitute new members, fill vacancies (however caused), and remove all members of the Committee and thereafter directly administer the Plan, all to the extent permitted by Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

- (i) to determine the Fair Market Value of the Common Stock, in accordance with Section 2(o) of the Plan;
- (ii) to select the Consultants and Employees to whom Options may be granted hereunder;
- (iii) to determine whether and to what extent Options are granted hereunder;
- (iv) to determine the number of shares of Common Stock to be covered by each Option granted hereunder;
- (v) to approve forms of agreement for use under the Plan;
- (vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Options may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Option or the shares of Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;
- (vii) to reduce the exercise price of any Option to the then current Fair Market Value if the Fair Market Value of the Common Stock covered by such Option shall have declined since the date the Option was granted;
- (viii) to construe and interpret the terms of the Plan and awards granted pursuant to the Plan;
- (ix) to prescribe, amend, and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax laws;
- (x) to modify or amend each Option (subject to Section 14(c) of the Plan), including the discretionary authority to extend the post-termination exercisability period of Options longer than is otherwise provided for in the Plan;
- (xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Option previously granted by the Administrator;
- (xii) to institute and Option Exchange Program; and
- (xiii) to make all other determinations deemed necessary or advisable for administering the Plan.



(c) Effect of Administrator's Decision. The Administrator's decisions, determinations, and interpretations shall be final and binding on all Optionees and any other holders of Options.

5. Eligibility. Nonstatutory Stock Options may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees. If otherwise eligible, an Employee or Consultant who has been granted an Option may be granted additional Options.

6. Limitations.

(a) Each Option shall be designated in the Notice of Grant as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designations, to the extent that the aggregate Fair Market Value:

(i) of Shares subject to an Optionee's Incentive Stock Options granted by the Company or any Parent or Subsidiary, which

(ii) become exercisable for the first time during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds \$100,000, such excess Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time of grant.

(b) Neither the Plan nor any Option shall confer upon an Optionee any right with respect to continuing the Optionee's employment or consulting relationship with the Company, nor shall they interfere in any way with the Optionee's right or the Company's right to terminate such employment or consulting relationship at any time, with or without cause.

(c) The following limitations shall apply to grants of Options to Employees:

(i) No employee shall be granted, in any fiscal year of the Company, Options to purchase more than 250,000 Shares.

(ii) The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 12.

(iii) If an Option is canceled in the same fiscal year of the Company in which it was granted (other than in connection with a transaction described in Section 12), the canceled Option will be counted against the limit set forth in Section 6(c)(i). For this purpose, if the exercise price of an Option is reduced, the transaction will be treated as a cancellation of the Option and the grant of a new Option.

7. Term of Plan. Subject to Section 18 of the Plan, the Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the shareholders of the Company as described in Section 18 of the Plan. It shall continue in effect for a term of ten (10) years unless terminated earlier under Section 14 of the Plan.

8. Term of Option. The term of each Option shall be stated in the Notice of Grant; provided, however, that in the case of an Incentive Stock Option, the term shall be ten (10) years from the date of grant or such shorter term as may be provided in the Notice of Grant. Moreover, in the case of an Incentive Stock Option granted to an Optionee who, at the time Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Notice of Grant.

9. Option Exercise Price and Consideration.

(a) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determined by the Administrator, subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or Parent or Subsidiary, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be determined by the Administrator.

(b) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions which must be satisfied before the Option may be exercised. In doing so, the Administrator may specify that an Option may not be exercised until the completion of a service period.

(c) Form of Consideration. The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator shall determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of:

(i) cash;

(ii) check;

(iii) promissory note;

(iv) other Shares which (A) in the case of Shares acquired upon exercise of an option, have been owned by the Optionee for more than six months on the date of surrender, and (B) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

(v) delivery of a properly executed exercise notice together with such other documentation as the Administrator and the broker, if applicable, shall require to effect an exercise of the Option and delivery to the Company of the sale or loan proceeds required to pay the exercise price;

(vi) a reduction in the amount of any Company liability to the Optionee, including any liability attributable to the Optionee's participation in any Company-sponsored deferred compensation program or arrangement;

(vii) any combination of the foregoing methods of payment; or

(viii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws.

#### 10. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder. Any Option granted thereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement.

An Option may not be exercised for a fraction of a Share.

An Option shall be deemed exercised when the Company receives: (i) written notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Optionee or, if requested by the Optionee, in the name of the Optionee and his or her spouse. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate, either in book entry form or in certificate form, promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 12 of the Plan.

Exercising an Option in any manner shall decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Employment or Consulting Relationship. Upon termination of an Optionee's Continuous Status as an Employee or Consultant, other than upon the Optionee's death or Disability, the Optionee may exercise his or her Option, but only within such period of time as is specified in the Notice of Grant, and only to the extent that the Optionee was entitled to exercise it as the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Notice of Grant). In the absence of a specified time in the Notice of Grant, the Option shall remain exercisable for 30 days following the Optionee's termination of Continuous Status as an Employee or Consultant. In the case of an Incentive Stock Option, such period of time shall not exceed thirty (30) days from the date of termination. If, at the date of termination, the Optionee is not entitled to exercise his or her entire Option, the Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(c) Disability of Optionee. In the event that an Optionee's Continuous Status as an Employee or Consultant terminates as a result of the Optionee's Disability, the Optionee may exercise his or her Option at any time within twelve (12) months from the date of such termination, but only to the extent that the Optionee was entitled to exercise it at the date of such termination (but in no event later than the expiration of the term of such Option as set forth in the Notice of Grant). If, at the date of termination, the Optionee does not exercise his or her entire Option, the Shares covered by the unexercisable portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(d) Death of Optionee. In the event of the death of an Optionee, the Option may be exercised at any time within twelve (12) months following the date of death (but in no event later than the expiration of the term of such Option as set forth in the Notice of Grant), by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent that the Optionee was entitled to exercise the Option at the date of death. If, at any time of death, the Optionee was not entitled to exercise his or her entire Option, the Shares covered by the unexercisable portion of the Option shall immediately revert to the Plan. If, after death, the Optionee's estate or a person who acquired the right to exercise the Option by bequest or inheritance does not exercise the Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(e) Rule 16b-3. Options granted to individuals subject to Section 16 of the Exchange Act ("Insiders") must comply with the applicable provisions of Rule 16b-3 and shall contain such additional conditions or restrictions as may be required thereunder to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

(f) Suspension. Any Optionee who is also a participant in the Retirement at Micron ("RAM") Section 401(k) Plan and who requests and receives a hardship distribution from the RAM Plan, is prohibited from making, and must suspend, his or her employee elective contributions and employee contributions including, without limitation on the foregoing, the

exercise of any Option granted from the date of receipt by that employee of the RAM hardship distribution.

11. Non-Transferability of Options. An Option may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

12. Adjustments Upon Changes in Capitalization, Dissolution, Merger, or Asset Sale.

(a) Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of shares of Common Stock covered by each outstanding Option, and the number of issued shares of Common Stock which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per share of Common Stock covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock or any other increase or decrease in the number of shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding, and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Option.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, it will terminate immediately prior to the consummation of such proposed action. The Board may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date fixed by the Board and give each Optionee the right to exercise his or her Option as to all or any part of the Optioned stock, including Shares as to which the Option would not otherwise be exercisable.

(c) Merger or Asset Sale. In the event of a merger of the Company with or into another corporation, or the sale of substantially all of the assets of the Company, each outstanding Option may be assumed or an equivalent option or right may be substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. The Administrator may, in lieu of such assumption or substitution, provide for the Optionee to have the right to exercise the Option as to all or a portion of the Optioned Stock, including Shares as to which it would not otherwise be exercisable. If the Administrator makes an Option exercisable in lieu of assumption or substitution in the event of a merger or sale of assets, the Administrator shall notify the Optionee that the Option shall be fully exercisable for a period of thirty (30) days from the date of such notice, and the Option will terminate upon the expiration of such period. For the purposes of this paragraph, the Option shall be considered assumed if, following the merger or

sale of assets, the option or right confers the right to purchase, for each Share of Optioned Stock subject to the Option immediately prior to the merger or sale of assets, the consideration (whether stock, cash, or other securities or property) received in the merger or sale of assets by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or sale of assets was not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option, for each Share of Optioned Stock subject to the Option, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the merger or sale of assets.

(d) Change in Control. In the event of a Change in Control, the unexercised portion of the Option shall become immediately exercisable, to the extent such acceleration does not disqualify the Plan, or cause an Incentive Stock Option to be treated as a Nonstatutory Stock Option without the consent of the Optionee.

13. Date of Grant. The date of grant of an Option shall be, for all purposes, the date on which the Administrator makes the determination granting such Option, or such other later date as is determined by the Administrator. Notice of the determination shall be provided to each Optionee within a reasonable time after the date of such grant.

14. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend, or terminate the Plan.

(b) Shareholder Approval. The Company shall obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Rule 16b-3 or with Section 422 of the Code (or any successor rule or statute or other applicable law, rule, or regulation, including the requirements of any exchange or quotation system on which the Common Stock is listed or quoted). Such shareholder approval, if required, shall be obtained in such a manner and to such a degree as is required by the applicable law, rule, or regulation.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company.

15. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder,

Applicable Laws, and the requirements of any stock exchange or quotation system upon which the Shares may then be listed or quoted, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

#### 16. Liability of Company.

(a) Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

(b) Grants Exceeding Allotted Shares. If the Optioned Stock covered by an Option exceeds, as of the date of grant, the number of Shares which may be issued under the Plan without additional shareholder approval, such Option shall be void with respect to such excess Optioned Stock, unless shareholder approval of an amendment sufficiently increasing the number of shares subject to the Plan is timely obtained in accordance with

Section 14(b) of the Plan.

17. Reservation of Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

18. Shareholder Approval. Continuance of the Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted. Such shareholder approval shall be obtained in the manner and to the degree required under applicable federal and Delaware law.

**Revised 06/14/95**

## EXHIBIT 10-111

### MICRON TECHNOLOGY, INC. EXECUTIVE BONUS PLAN

(As adopted and effective November 28, 1994)

#### 1. PURPOSE

The Micron Technology, Inc. Executive Bonus Plan (the "Plan") is designed to attract, retain, and reward highly qualified executives who are important to the Company's success and to provide incentives relating directly to the financial performance and long-term growth of the Company.

#### 2. DEFINITIONS

(a) Bonus - The cash incentive awarded to an Executive Officer or Key Employee pursuant to terms and conditions of the Plan.

(b) Board - The Board of Directors of Micron Technology, Inc.

(c) Change in Control - The acquisition by any person or entity, directly, indirectly, or beneficially, acting alone or in concert, of more than thirty-five percent (35%) of the Common Stock of Micron Technology, Inc., at any time outstanding.

(d) Code - The Internal Revenue Code of 1986, as amended.

(e) Committee - The Compensation Committee of the Board, or such other committee of the Board that is designated by the Board to administer the Plan, in compliance with requirements of Section 162(m) of the Code.

(f) Company - Micron Technology, Inc., and any other corporation in which Micron Technology, Inc., controls, directly or indirectly, fifty percent (50%) or more of the combined voting power of all classes of voting securities.

(g) Executive - An Executive Officer or Key Employee of the Company.

(h) Executive Officer - Any officer of the Company subject to the reporting requirements of Section 16 of the Securities and Exchange Act of 1934 ("Exchange Act").

(i) Key Employee - Any employee of the Company as may be designated by the Committee.

(j) Plan - The Micron Technology, Inc., Executive Bonus Plan.

#### 3. ELIGIBILITY

Only Executives are eligible for participation in the Plan.

#### 4. ADMINISTRATION

The awards under the Plan shall be based on the profits of the Company as determined by the Company's consolidated after-tax net profits. The Committee shall administer the Plan and shall have full power and authority to construe, interpret, and administer the Plan necessary to comply with the requirements of Section 162(m) of the Code. The Committee's decisions shall be final, conclusive, and binding upon all persons. The Committee shall certify in writing prior to commencement of payment of the bonus that the performance goal or goals under which the bonus is to be paid has or have been achieved. The Committee in its sole



discretion has the authority to reduce the amount of a bonus otherwise payable to Executives upon attainment of the performance goal established for a fiscal year. At the beginning of each fiscal year consistent with the requirements of Section 162(m), the Committee shall: (i) determine the percentage or other amount related to the Company's profits available for award under the Plan; (ii) determine the Executive Officers and Key Employees eligible to participate in the Plan for the fiscal year; and (iii) determine each Executive's bonus based on the Company's profits for the fiscal year; and (iv) determine the frequency at which each bonus will be paid when attained.

The maximum bonus amount that can be paid to any executive with respect to any one fiscal year results cannot exceed the greater of \$2,000,000 or two percent (2%) of the Company's consolidated after-tax net profits.

In the event of a Change in Control, any bonuses earned but not yet paid under the Plan shall be immediately payable. If the Executive ceases to be employed by the Company or by any of its subsidiaries, any unpaid bonuses shall be paid in accordance with the Executive's termination agreement, and as otherwise determined by the Committee. Unpaid bonuses may also be canceled at the discretion of the Committee.

The Committee may amend, modify, suspend, or terminate the Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law. The Committee will seek shareholder approval of any amendment determined to require shareholder approval or advisable under the regulations of the Internal Revenue Service or other applicable law or regulation.

#### 5. NONASSIGNABILITY

No Bonus or any other benefit under the Plan shall be assignable or transferable by the participant during the participant's lifetime.

#### 6. NO RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan shall confer upon any employee any right to continue in the employ of the Company or shall interfere with or restrict in any way the right of the Company to discharge an employee at any time for any reason whatsoever, with or without good cause.

#### 7. EFFECTIVE DATE

The Plan shall become effective on November 28, 1994. The Committee may terminate or suspend at any time.

**Exhibit 11.1**

**MICRON TECHNOLOGY, INC.**

**Computation of Per Share Earnings**  
(Amounts in millions except for per share amounts)

Fiscal year ended	August 31, 1995	September 1, 1994	September 2, 1993
-----			
PRIMARY			
Weighted average shares outstanding	205.1	202.4	196.4
Net effect of dilutive stock options	8.8	6.5	3.9
	-----	-----	-----
Total shares	213.9	208.9	200.3
	=====	=====	=====
Net income	\$ 844.1	\$ 400.5	\$ 104.1
	=====	=====	=====
Primary earnings per share	\$ 3.95	\$ 1.92	\$ 0.52
	=====	=====	=====
FULLY DILUTED			
Weighted average shares outstanding	205.1	202.4	196.4
Net effect of dilutive stock options	11.1	8.0	6.2
	-----	-----	-----
Total shares	216.2	210.4	202.6
	=====	=====	=====
Net income	\$ 844.1	\$ 400.5	\$ 104.1
	=====	=====	=====
Fully diluted earnings per share	\$ 3.90	\$ 1.90	\$ 0.51
	=====	=====	=====

**Exhibit 21.1**

**MICRON TECHNOLOGY, INC.**

**Subsidiaries of the Registrant**

Name	State (or jurisdiction) in which Incorporated
Micron Communications, Inc.	Idaho
Micron Construction, Inc.	Idaho
Micron Display Technology, Inc.	Idaho
Micron Electronics, Inc.	Minnesota
Micron Europe Limited	United Kingdom
Micron Overseas Trading, Inc.	Virgin Islands
Micron Quantum Devices, Inc.	California
Micron Semiconductor Asia Pacific Pte. Ltd.	Singapore
Micron Semiconductor Asia Pacific Inc.	Idaho
Micron Semiconductor (Deutschland) GmbH	Germany

## Exhibit 23.1

### Consent of Independent Accountants

We consent to the incorporation by reference in the registration statements of Micron Technology, Inc., on Forms S-8 (File Nos. 33-3686, 33-16832, 33-27078, 33-38665, 33-38926, 33-65050, 33-52653, and 33-57887) of our report, which includes an explanatory paragraph regarding contingencies related to product and process technology, dated September 21, 1995, on our audits of the consolidated financial statements of Micron Technology, Inc., as of August 31, 1995, and September 1, 1994, and for each of the three years in the period ended August 31, 1995, which report is included in this Annual Report on Form 10-K.

*/s/ Coopers & Lybrand L.L.P.*

*Boise, Idaho  
September 21, 1995*

## ARTICLE 5

This schedule contains summary financial information extracted from the accompanying financial statements and is qualified in its entirety by reference to such financial statements.

MULTIPLIER: 1,000,000

PERIOD TYPE	YEAR
FISCAL YEAR END	AUG 31 1995
PERIOD END	AUG 31 1995
CASH	128
SECURITIES	428
RECEIVABLES	472
ALLOWANCES	17
INVENTORY	205
CURRENT ASSETS	1,274
PP&E	2,024
DEPRECIATION	638
TOTAL ASSETS	2,775
CURRENT LIABILITIES	605
BONDS	0
COMMON	21
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	1,877
TOTAL LIABILITY AND EQUITY	2,775
SALES	2,953
TOTAL REVENUES	2,953
CGS	1,329
TOTAL COSTS	1,656
OTHER EXPENSES	(29)
LOSS PROVISION	0
INTEREST EXPENSE	(25)
INCOME PRETAX	1,350
INCOME TAX	506
INCOME CONTINUING	0
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	844
EPS PRIMARY	3.95
EPS DILUTED	3.90

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**End of Filing**

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